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New York

President: Mr. Ali Abdussalam Treki ..... (Libyan Arab Jamahiriya)

The meeting was called to order at 10.25 a.m.

Agenda item 52 (*continued*)

Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference

High-level Dialogue on Financing for Development

The President (*spoke in Arabic*): The General Assembly will begin the fourth High-level Dialogue on Financing for Development, under agenda item 52, in accordance with General Assembly resolution 64/194 of 21 December 2009 and General Assembly decision 64/551 of 23 February 2010.

The overall theme of the fourth High-level Dialogue is "The Monterrey Consensus and Doha Declaration on Financing for Development: status of implementation and tasks ahead".

The High-level Dialogue will consist of plenary meetings, three interactive multi-stakeholder round tables and an informal interactive dialogue. A detailed programme is contained in the *Journal* of the United Nations.

I have the pleasure to welcome all present, including the Secretary-General, to the fourth High-level Dialogue on Financing for Development. As we meet here today, the global economy is showing some signs of slow improvement following the very severe crisis that it has experienced. Developing countries are paying a dire price for a global economic crisis that they were not responsible for precipitating.

This High-level Dialogue is a very important opportunity to go through all the measures that have been taken at the political level to address the challenges facing developing countries and to mobilize the necessary resources in the framework of the commitments stipulated by the Monterrey Consensus and the Doha Declaration on Financing for Development. I am confident that this Dialogue will make a major contribution to the preparatory work for the high-level meeting on the Millennium Development Goals to be held by the General Assembly later this year.

The first priority for developed and developing countries alike is to reinvigorate the global economy in a sustainable manner. However, this economic recovery is still lagging behind. To date, we have not had all the conditions for sustainable development, and we expect growth rates to remain low in the developing world compared to what they were before the crisis.

The consequences of the crisis included a major decline in the flow of investments to the developing countries that is threatening their investment and development capabilities. The consequences have not been limited to this decline. We fear that development assistance will also decrease, although many developed countries have announced at several international meetings that they will not allow their local difficulties to limit their assistance flows to developing countries. However, this is not enough in itself because we need

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to increase the flows of official development assistance and to improve both its quality and quantity in order to face the consequences of the crisis and to achieve the Millennium Development Goals agreed by the international community.

In this framework, the developed countries should live up to their commitments under the Doha Declaration on Financing for Development and the Monterrey Consensus. They must make tangible efforts to allocate 0.7 per cent of their gross national product to official assistance for development.

The decline in global trade has also impacted the developing countries, which depend on the revenues from the export of their basic commodities. Therefore, if developing countries wish to strengthen their development, they should resist protectionist tendencies and we must consecrate the progress that was made in the multilateral trade negotiations in the framework of the Doha Round. At the same time, the international community has to increase the assistance it allocates to trade in developing countries in order to allow those countries to overcome their structural problems and to reinforce their competitive capabilities in the trade sector so as to recover from the crisis.

The crisis undid many achievements, especially with regard to debt reduction for developing countries. It is now likely that several developing countries, including those that have benefited from debt reduction initiatives, will see their debts increase to unsustainable levels because of the drop in their capital and because of the very harsh conditions imposed on external financing, as well as growing financial pressures due to the deterioration in exchange rates and rising interest rates.

Finally, I would like to emphasize that the current crisis is also due to the major flaws in the international economic governance system. Although we are reconsidering the organization of global economic markets, which is an important starting point, we still urgently need in parallel to reform the main institutions of global financial and economic governance in order to provide the developing countries with further opportunities to participate and express their opinions. This reform is paramount to empowering those institutions and allowing them to face the new challenges imposed by globalization and to deal with the new realities of the twenty-first century.

The High-level Dialogue convening today and tomorrow will be very important in fostering the pillars of a new and more equitable economic order. Let us make it an opportunity to eradicate the poverty that is undermining the dignity of humankind and destroying the lives of myriad children, men and women.

I now give the floor to His Excellency Secretary-General Ban Ki-moon.

The Secretary-General: I am pleased to address this High-level Dialogue on Financing for Development. Before I begin, I would like to welcome the presence of His Excellency Mr. Oqil Oqilov, Prime Minister of Tajikistan.

As we meet, the world economy is showing signs of recovery, yet growth remains fragile. Job losses persist. Human costs are high in all regions. Despite many challenges, donor countries must sustain official development assistance levels and ensure that their own recovery efforts do not burden others. At the same time, many developing countries will need additional assistance to stimulate their economies and expand social protection for those most affected.

International institutions have a key role to play. Better access to financing can help relieve the pain of economic adjustment. I welcome the efforts of the International Monetary Fund (IMF) to improve its lending framework and the support of the Group of 20 leaders for expanding IMF lending capacity. However, much more needs to be done. Vulnerable countries must not be hampered by onerous conditions or burdensome external debt.

In June 2009, the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development emphasized that short-term responses to the crisis must be in harmony with the longer-term development goals. This is the major thrust of the nine joint crisis initiatives established by the United Nations Chief Executives Board for Coordination. These measures include immediate steps to address the impact of the economic downturn, as well as longer-term measures to generate decent work and lead to more equitable and sustainable development.

In June, we will introduce a prototype of the Global Impact and Vulnerability Alert System, and we are working to strengthen coordination between our United Nations country teams and the Bretton Woods institutions.

Member States' support for these efforts is crucial. We continue to face immense development challenges. The Millennium Development Goals (MDGs) are at the top of our agenda. The MDG summit in September will decide on a plan of action to meet the 2015 deadlines. My report "Keeping the promise" (A/64/665) provides a forward-looking review to accelerate progress in the next of five years. We know it is possible. The world has seen MDG successes in numerous countries, including some of the poorest. We also know what it takes — the right policies, adequate investment and international support.

The fundamental rethinking triggered by the economic and financial crises provides the international community with a rare opportunity for reform — reform that can ensure more stable growth, job creation and sustainable development. It requires adequate policy space for developing countries so they can undertake the primary responsibility for their own development.

The Monterrey Consensus and Doha Declaration on Financing for Development are central. A true partnership for development can be achieved only through a combination of investment, trade, aid, debt relief and global economic governance reforms. The international community must deliver on the development objectives of the Doha round of trade negotiations. We need to reform the international financial system and architecture.

We need better mechanisms to coordinate economic policy with representative, accountable and equitable governance. I welcome the ongoing reforms of the Bretton Woods institutions to ensure legitimacy and increased effectiveness. These reforms should be ambitious and timely, and should significantly enhance the voice and participation of developing countries. Investment spending must support sustainable development. Many developing countries will need considerable external assistance in this area as part of the global green new deal.

We must also continue to press for a binding international agreement on climate change. The Copenhagen accord called for new and additional predictable resources over the next decade. I have established a High-level Advisory Group on Climate Change Financing to develop proposals on how to scale up long-term financing for mitigation and adaptation in developing countries. It will deliver its recommendation before the next Conference of the Parties to the United Nations Framework Convention on Climate Change in Mexico in December.

The United Nations has an important role to play in ensuring a robust, inclusive intergovernmental process to realize international commitments on financing for development and meeting the Millennium Development Goals. I trust that this biennial High-level Dialogue of the General Assembly will provide a strong impetus in all areas of that vital task. I wish the Assembly a productive meeting.

The President (*spoke in Arabic*): I thank the Secretary-General for his statement.

Address by His Excellency Mr. Oqil Oqilov, Prime Minister of the Republic of Tajikistan

The President (*spoke in Arabic*): The Assembly will now hear an address by His Excellency Mr. Oqil Oqilov, Prime Minister of the Republic of Tajikistan.

Mr. Oqil Oqilov, Prime Minister of the Republic of Tajikistan, was escorted to the rostrum.

The President (*spoke in Arabic*): On behalf of the General Assembly, I have great pleasure in welcoming His Excellency Mr. Oqil Oqilov, Prime Minister of the Republic of Tajikistan, and inviting him to address the Assembly.

Mr. Oqilov (Tajikistan) (*spoke in Russian*): On behalf of the Government of Tajikistan, I would like to welcome all participants to today's fourth High-level Dialogue on Financing for Development. The discussion of the issues of mobilizing national and international financial resources for development, attracting direct foreign investment, international trade as a driving force for development, and the promotion of international financial and technical cooperation — as well as addressing and resolving systemic issues aimed at better coordinating and streamlining the international monetary, financial and trade systems in the interests of development — is extremely timely and important. Such dialogue is becoming increasingly necessary because, as we anticipate, it will be a valuable contribution to the preparation of the United Nations high-level meeting on the Millennium Development Goals (MDGs) to be held in September.

The nations of the world have encountered another economic crisis of genuinely global magnitude. With globalization, the crisis has affected every country, regardless of its political and economic

system. The negative consequences of the crisis pose a threat to the possibility of achieving the MDGs and are seriously undermining all our efforts in this area.

The financial and economic crisis has had grave effects on the economy of Tajikistan and exposed some of our problems. They include an export market, and the economy as a whole, that is excessively geared to raw materials, as well as a weak financial market. Developing some basic market institutions, and, above all, a competitive environment has become even more urgent.

Before the crisis, annual gross domestic product (GDP) growth in Tajikistan was up to 9 per cent and the inflation rate had fallen to single digits. In 2009, the poverty rate had been reduced to 49.3 per cent, compared with 72 per cent in 2003, and we expect it to drop to 41 per cent by 2012. Those achievements are the result of a stable socio-economic situation in the country, the creation of conditions favourable to the expansion of economic reforms and the overall implementation of economic programmes and large-scale measures within the country's current stage of development.

In 2009, however, GDP growth slowed considerably, as it did elsewhere, although our Government succeeded in maintaining positive momentum in development through a number of emergency measures, in particular by implementing a plan featuring additional short-term anti-crisis measures. The Government's anti-crisis policy is focused on support for domestic demand, social protection of the population and job creation. Like many other countries, we are optimizing public expenditures and working to create a platform for post-crisis development. Among our priorities are creating a favourable environment for business, developing competition, implementing energy, mining, agricultural, transportation and other infrastructure projects, as well as further developing the various regions of the country.

It is well known that creating an environment that favours private sector development is one of the major prerequisites for the dynamic development of any country. We are giving priority to the attraction of investment, the gradual commercialization of all sectors of the economy, and an increase in the share of private services. To lessen the risks associated with investment and entrepreneurial activities, we are working to improve the mechanisms for protecting property rights and to simplify procedures for granting licences and permissions. We are taking consistent steps towards creating a climate favourable to investment. To that end, tax and customs regulations that meet the requirements of the modern market are being introduced for foreign investors, as well as practical mechanisms for protecting investors' interests and rights during the implementation of investment projects.

The short-term measures undertaken during our country's current stage of development of our country are yielding concrete results. At the same time, we believe that the next phase must include long-term efforts at the national and global levels. Tajikistan, as a landlocked country whose transportation, transit and trade policy is dependent to a large extent on harmonized systems of transportation and trade within the region, considers that freeing the country from its communications dead end is a priority.

It is impossible to establish close trade and economic ties among different States without highways and railroads that meet international standards. Creating reliable, cost-efficient transportation corridors and, ultimately, transforming them into economic corridors will provide opportunities for economic growth rates to increase. It should be noted, however, that artificial barriers, such as railroad blockades imposed by our neighbour the Republic of Uzbekistan, are undermining our Government's efforts to ensure social and economic development, and posing a threat to my country's security.

Given the global crisis, it is important to comply with and strengthen the trade regimes of the World Trade Organization, which are agreed multilaterally and based on the rule of law. Tajikistan considers it expedient to implement development measures in order to improve the multilateral trade system so that it takes more fully into account the needs and interests of the developing countries.

Official development assistance plays an important role in the implementation of those objectives. Tajikistan supports the call for a doubling of assistance and for ensuring predictability in financing for development. The international community has succeeded in making considerable progress on debt relief, though such progress has affected only a limited group of countries. It has, however, made it possible to lay the foundations of those fundamental principles on the basis of which international cooperation in seeking ways to ensure

active debt relief could be expanded. That will be of critical importance over the next few years.

In our view, we should heed the appeal made in the Millennium Declaration for an integrated approach to debt relief for the developing countries through relevant national and international measures aimed at ensuring an acceptable level of indebtedness in the long term. The current financial and economic crisis compels us to review the principles of global economic management by which we have been guided over the past decade.

Given the harsh experience of recent years, United Nations Member States must jointly shape a more fair, transparent and efficient global economic architecture. Moreover, all countries should have guaranteed access to all life-sustaining resources, advanced technologies and sources of development. There is a need to develop guarantees that minimize the risk of recurrent crises similar to that we are experiencing today. All the decisions we intend to make should not only be relevant to the current situation, but must take into account the needs of the new, post-crisis world. It is my hope that this High-level Dialogue will help and lead us to consider effective measures in that area.

The President (*spoke in Arabic*): On behalf of the General Assembly, I wish to thank the Prime Minister of the Republic of Tajikistan for the statement he has just made.

Mr. Oqil Oqilov, Prime Minister of the Republic Tajikistan, was escorted from the rostrum.

The President (*spoke in Arabic*): I should now like to turn to some organizational matters pertaining to the conduct of the meeting.

I would like to propose that the list of speakers be closed in view of the large number of delegations inscribed on the list.

It was so decided.

The President (*spoke in Arabic*): With respect to the length of statements, speakers are encouraged to limit their statements to five minutes, on the understanding that this will not preclude the distribution of more extensive texts. In view of the large number of delegations already inscribed on the list of speakers, which now exceeds 73, I appeal to speakers to cooperate in this respect.

To assist speakers in managing their time, a light system has been installed at the speaker's rostrum which functions as follows. A green light will be activated at the start of the speaker's statement. An orange light will be activated 30 seconds before the end of the five minutes. A red light will be activated when the five-minute limit has elapsed.

I should like to inform members that, pursuant to General Assembly resolution 64/194 of 21 December 2009, the Assembly will also hear statements by representatives of the following organizations of the United Nations system: the World Bank, the United Nations Development Programme, the United Nations Conference on Trade and Development, the World Trade Organization and the International Monetary Fund.

I now give the floor to Mr. Otaviano Canuto, Vice-President and Head of Network, Poverty Reduction and Economic Management of the World Bank.

Mr. Canuto (World Bank): As we enter the second decade of the twenty-first century, the development community faces renewed challenges in the fight against poverty, hunger and other human deprivations. The impact of the crisis has been substantial. In many dynamic middle-income emerging-market countries, available policy tools and resources have been allowed an aggressive and proactive response, with the result that recovery is well under way.

However, in most low-income countries and many lower middle-income countries, these options were out of reach as the crisis deepened and the inability to address the crisis-related challenges in a timely fashion jeopardizes years of progress in combating poverty. Evidence from past crises confirms that even mild downturns can have costly and long-lasting effects on human welfare that are sometimes irreversible, as families with few alternative employment opportunities and little access to credit are forced to reduce food intake or pull children out of school.

Important as these crisis issues are at present, they are by no means the whole story. The current crisis compounds but does not replace the traditional development agenda on which it has been so difficult to make progress for decades. At the same time, new global challenges have emerged. Some of these global challenges — such as climate change or communicable diseases — are quintessential public goods; others — such as food security, water management, migration

and energy — pose complex challenges calling for global cooperation in order to find durable solutions.

Multilateral cooperation is needed if we are to meet the Millennium Development Goals and ensure inclusive and sustainable globalization. The mutual accountability compact laid down in Monterrey, and adapted and extended to reflect the changing global environment, still provides a solid foundation on which to build a more comprehensive framework to address global issues. Let me briefly speak about the parties to that compact.

Thanks to progress on reforms, developing countries have indeed been relatively resilient in dealing with the initial impact of the crisis, but many now face serious medium-term fiscal sustainability issues. Yet, developing countries, particularly those endowed with natural resources, should reaffirm their commitment to the mobilization and deployment of domestic resources in order to promote more inclusive and sustainable growth. Ratification of the United Nations Convention against Corruption and other measures to deter asset theft and facilitate recovery, such as the Stolen Asset Recovery Initiative, could be important pillars of this framework by countering illicit financial flows and helping countries to manage their natural resources.

Donors should, in turn, match these efforts by mobilizing additional resources from a range of sources — public and private — expanding innovative mechanisms for financing development needs, and improving the predictability of official development assistance flows. Finally, the expanded compact should reaffirm the critical role that international financial institutions must play as public good providers to address market failures and to assist developing countries with technical and financial support.

During the past 18 months, the World Bank Group has been able to rapidly provide global leadership; coordinate, leverage and deliver substantial financial resources; and mobilize global knowledge and expertise to serve the broadest range of member countries' needs through innovative approaches building upon its worldwide reach and local presence. Cumulative World Bank Group commitments from 1 July 2008 through December 2009 reached $87.6 billion and will likely go beyond $100 billion before the end of April.

The World Bank Group's crisis response provides a snapshot of the untapped potential of the institution to address the challenges and opportunities of the post-crisis world. To realize this potential, the World Bank has initiated reforms intended to create modern and more inclusive institutions capable of responding to long-term development financing needs with sufficient resources and appropriate operational instruments. Accomplishing these results requires efforts in a number of interrelated areas, and extensive work is already under way in each of these areas.

The World Bank Group is modernizing corporate governance and enhancing the voice of developing countries and countries in transition in decision-making processes. That is a key building block of the reform process, critical to maintaining its role and legitimacy within the global development architecture.

The World Bank Group has also launched a series of internal reforms in order to deliver a customized package of top-quality global knowledge and financial services in real time to every client. The internal reform agenda has three interlinked elements: first, modernizing and enhancing the effectiveness of the Bank's financial and non-financial instruments to tailor them to client needs, improve the speed of delivery and demonstrate results on the ground; secondly, facilitating the responsive and efficient delivery of client services through changes in the way the Bank is organized, including improvements to the organizational matrix through which the Bank's work is delivered and an enhanced field presence coupled with greater devolution of responsibility and accountability; and thirdly, supporting both more effective services and better delivery of services through changes to incentives, policies and infrastructure.

However, the commitments made over the past 18 months, in addition to the strong pipeline for the remainder of the current fiscal year and the expectation that borrower demand will remain high over the next two years, will strain the financial capacity of the International Bank for Reconstruction and Development. The International Finance Corporation is already facing a capital constraint as the financial crisis has adversely affected its profitability and capital position. Capital reviews and discussions of financial needs are under way and are expected to be completed next month. Discussions on the replenishment of concessional windows have also started, as current resources may not meet low-income countries' needs.

Let me conclude by stressing that the issues of aid, debt relief and multilateral assistance cannot be framed solely around charity or the Monterrey commitments to achieving the Millennium Development Goals. Developing countries offer abundant opportunities for high-return investments — for example, in critical infrastructure — that can overcome bottlenecks to growth and may help to rebalance global growth towards a more sustainable configuration of external balances.

Promoting multiple poles of growth in developing countries would make an important contribution to this rebalancing by creating new sources of growth in global demand. Supporting developing countries in this effort should thus be seen not as a handout, but rather as an investment in sustainable global growth and poverty reduction.

The President (*spoke in Arabic*): I give the floor to Ms. Rebeca Grynspan, Associate Administrator of the United Nations Development Programme.

Ms. Grynspan (United Nations Development Programme): Eight years ago in Monterrey, the world made historic commitments to eradicating poverty, promoting sustainable development and advancing economic growth. We are here in New York to critically assess the progress that has been made in financing these commitments. This assessment comes at a time when the global economy is taking tentative steps to emerge from the recession, but budgets remain squeezed and there is enormous pressure on all forms of development finance, public and private.

The World Bank has estimated that developing countries faced a shortfall in external financing as large as $635 billion in 2009 alone. This has meant difficult and painful choices as the demand for social services has increased, while funds to pay for them have decreased. Tragically, it also threatens hard-won progress towards achievement of the Millennium Development Goals (MDGs). Without the ability to stimulate spending and protect social spending on the most vulnerable, the consequences of the global recession may take many years to remedy. The effects of chronic hunger and reduced school attendance can impact countries' productive potential long into the future, and ultimately at a much greater cost to the national and international community than if adequate support had been available at the time of need.

Unfortunately, we often forget that the short term and the long term begin at the same time, as can be seen now more than ever. Thus, the international community must deliver on its commitments. In 2002, Group of Eight leaders stated that no country genuinely committed to poverty reduction, good governance and economic reform would be denied the chance to achieve the MDGs through lack of financing. Unfortunately, if that pledge is to stand, more must be done through official development aid, the Gleneagles pledges and last year's London Group of 20 commitment to providing additional resources for developing countries.

Finally, in Copenhagen, developed countries undertook to provide additional resources for climate change mitigation and adaptation in an amount approaching $30 billion for the period 2010-2012. However, details of the funding arrangement and the actual pledges remain to be determined.

We know from experience that with adequate resources, political responsibility and leadership at all levels, and evidence-based and well-targeted interventions, the MDGs can be met. The world has seen remarkable progress towards the MDGs. Deaths among children under five years of age have been reduced. Many countries have already passed the target of enrolling more than 90 per cent of children in primary school. The number of people in low- and middle-income countries receiving retroviral therapies for HIV/AIDS increased tenfold from 2003-2008.

All the same, and beneath the headline averages, significant challenges remain, especially because averages often hide the reality of vulnerable groups that have been left behind. Maternal mortality has declined only marginally, and the number of chronically hungry people around the globe rose to over 1 billion in 2009, reaching the highest level yet. Disparities between and within countries also persist.

Mr. Mohamed (Maldives), Vice-President, took the Chair.

If we are to meet the 2015 deadline, the world will need to accelerate progress in the five short years remaining. Development assistance will need to be mobilized, and quickly. While no single financing initiative can deliver a silver bullet, there are initiatives with the potential to raise unprecedented amounts of investment in the MDGs and stable long-term revenues for development. Some of these were noted in the 2001

report of the High-level Panel on Financing for Development (see A/55/1000); others have been proposed more recently. But the task now is to concentrate international attention and effort on fully developing them into practical undertakings.

Innovative sources have been piloted, especially related to health, such as the International Finance Facility for Immunization or the levies on air tickets that have generated important revenues to provide HIV/AIDS, tuberculosis and malaria treatments.

A discussion on financing for development can also no longer be meaningful without consideration of climate change. By some estimates, 40 per cent of development investment from official development assistance and concessional lending is sensitive to climate risk. That means that if climate change adaptation is not built into national development planning, scarce resources could well be wasted. This is one of the reasons why human development and environmental sustainability must be tackled together.

While these initiatives have the potential to unlock billions in financing for the MDGs, they only complement and do not replace sustained efforts to increase the quantity and quality of official development aid, to establish objective criteria for further debt relief, and to increase policy coherence so that what is done in one place is not undermined elsewhere. Our efforts will not be effective if, for example, we increase financial support to countries but still practice trade protectionism, or encourage more private financial flows but fail to pay attention to curbing capital flight.

Increases in the quantity of aid must be matched by improvements in the quality and effectiveness of aid. Insufficient progress has been made on commitments to untie aid, improve mutual accountability and transparency, and deliver unconditional and predictable finance that is aligned with countries' national priorities and systems. To make the most of official development assistance, Governments and development partners must also increasingly strive to use it as a catalyst to make steep changes in development.

Global initiatives have cancelled important debt weighing on the poorest countries, but insufficient attention has been paid to the debt burdens of low- and middle-income countries excluded from international debt relief schemes.

Significant scope also remains in maintaining and even increasing domestic resource mobilization. Many developing countries have substantial domestic savings. The most effective way to boost domestic resource mobilization for the MDGs is therefore to improve access to financial services for potential savers and potential borrowers alike. Such services must also be shaped to meet the needs of poor households.

To achieve the MDGs, the world must channel more financial resources to development. If we stop investing now, we risk losing hard-won development gains. It is in our own interest to avoid costly setbacks. We all benefit when countries have vibrant economies and educated and healthy populations that are well governed, peaceful and able to support the fight against climate change. In the five short years we have left, we must rise to the occasion. It can be done. Achieving the MDGs would be a significant achievement the world could be proud of.

The Acting President: I now give the floor to Mr. Petko Draganov, Deputy Secretary-General of the United Nations Conference on Trade and Development.

Mr. Draganov (United Nations Conference on Trade and Development) (*spoke in French*): In my statement, I should like to convey three messages. The first is related to the responsibility of public authorities, who must put finance to use in the creation of new productive capacities in developing countries. The second concerns the mobilization of financial resources, which should be done in a context that favours productive investment. We must avoid policies that, in an attempt to attract capital and increase savings, reduce demand and make speculation more attractive than production. Finally, global problems such as the international financial disorder and climate change demand global responses. In particular, developing countries must have access to financial resources and the necessary technology to enable them to move towards environmentally friendly means of production and consumption that encourage development, rather than hamper it.

The financial crisis has put the economic role of States back on the agenda. In the immediate term, that role is to limit the effects of the crisis. It is also, in the longer term, to prevent the occurrence of other crises through far-reaching revision of the functioning of the financial systems, which have essentially stopped financing productive investment, devoting themselves

instead to the quest for quick profits. Too often, investment financing has become the by-product of gambling, according to the Keynes formula, resulting in an enormous waste of resources that could have been used to finance development.

It is therefore vital to refocus financial activities. In developing countries, that should mobilize physical and human investment and the creation of good-quality jobs. The development and diversification of the means of production are essential not only to achieving the Millennium Development Goals (MDGs), but also to ensuring that such progress is sustainable.

The modalities for the commercial integration of the developing countries must also encourage such productive development. It must be recognized that there can be no genuine international competition if the productive capacities of the least developed countries are nipped in the bud. Thus, we must not readily abandon the principle of special and differentiated treatment for the developing countries, which must retain a margin for action, in the broadest sense, in their industrial policies.

The development of productive capacity requires financing and a favourable macroeconomic and trade environment. Part of such financing will come from international sources. The developed countries must honour their commitments to official development assistance. Foreign direct and portfolio investment can also continue to make important contributions. If it is to do so, financial flows must not be speculative and direct investment must increase the stock of capital and provide new technologies. To those ends, Governments can establish a regulatory and macroeconomic framework to discourage undesirable capital and channel the desirable towards productive investment.

I would recall instances in which the entry of capital was at the source of speculative bubbles and the ruinous appreciation of local currencies that resulted in financial crashes, balance of payments crises, and extreme foreign indebtedness. Such experiences have shown that the injection of external capital is not an end in itself and that it needs to be integrated into a development strategy whereby the mobilization of internal resources and their channelling towards productive investment are irreplaceable.

But that cannot be achieved simply through market liberalization. Left to themselves, financial agents prefer to finance Government or household consumption at high rates rather than become involved in long-term productive projects.

The appeal of immediate profit discourages financing of investment and makes it less attractive to entrepreneurs, who may thus be transformed into speculators. As a result, Governments have an important role to play. Of course, they cannot take the place of the private sector when making investment decisions, but they can influence those decisions. Through their macroeconomic and income policies, Governments are able to provide businesses with the possibility of stable growth in demand. By investing in physical and social infrastructure, Governments create the conditions necessary to private investment. Finally, they can encourage private financial institutions to offer reduced rates for investment or provide those rates directly through development banks. Thus, the entire development framework is critical to mobilizing the necessary resources for investment.

There is no system that first releases funds, then decides later on how they will be used. From that mechanical perspective, there are often recommendations to increase interest rates, decrease public and private spending and concentrate revenue so that the rich will save the money that the poor do not consume. The idea is that this would make more funds available for loans and therefore increase investments. But that idea is false, since no one invests when there is a drop in global demand. Quite the opposite is true. Savings are integral to growth and result in the growth of revenue for domestic enterprises and the State. The mobilization of internal resources requires conditions favourable to productive investment.

In conclusion, I would refer to the strategic role of multilateral financial bodies. We welcome the changes under way in global financial governance, although further progress must be made to discourage speculation and rebalance decision-making power in the Bretton Woods institutions. The crisis has demonstrated the need to enhance their capacity for financing, which has been done to a certain extent, but there is a need for these resources to be channelled towards countries that genuinely need them, without tacking on counterproductive political conditions.

The recent allocation of special drawing rights is, from this point of view, both positive and negative. It is positive because this financing mechanism has finally emerged from protracted lethargy, but if it is to truly

serve development, it should not be distributed on the basis of current quotas. There is also a need for new international financial regulations to provide for the resources necessary to finance a means of growth that takes the environment into account.

In its *Trade and Environment Review 2009-2010*, UNCTAD identifies sound poles of growth based on energy efficiency, sustainable forms of agricultural production and renewable sources of energy for rural development that could create positive externalities in the developing world. Innovative methods for financing and technology transfer must be established so that the necessary transformations of the global economy can strengthen development in the least developed countries.

Today, we are seeing the world of finances in its most negative aspect — that of upheaval and crisis. But this can also provide a decisive impetus to socially inclusive and environmentally sustainable development. It is now up to national and multilateral public authorities to restore financing for development at the heart of financial systems. Insofar as it will be possible to finance new, environmentally friendly productive capacities in the developing countries and that the latter are able to master new green technologies, we will have moved forward simultaneously on three critical fronts: financing, global warming and development.

The Acting President: I now give the floor to Mr. Shishir Priyadarshi, Director of the Development Division of the World Trade Organization.

Mr. Priyadarshi (World Trade Organization): When we met in Doha in November 2008, it was recognized that the international context had changed in many ways since the financing for development initiative was launched in Monterrey. An equally profound change has occurred since Doha. What started as a financial crisis in 2008 quickly became an economic contagion. Unlike previous crises, the current global economic downturn left no part of the economy untouched. And so it was with trade as well; world trade, too, has been a casualty of this crisis, having contracted in terms of volume by about 12 per cent, which is actually unprecedented.

Fortunately, the action taken by many of us present here, at both the national and the international levels, has helped to stabilize the financial markets, to stimulate recovery and, importantly, to avoid the risk of depression. As the Secretary-General said this morning, a global economic recovery can be said to be under way. Trade volumes are picking up and, importantly, it is clear that wide-scale protectionist measures have been avoided. Clearly, the multilateral trading system has passed what I would like to call the stress test that it was subjected to in 2009. It stood firm, showed its value and, most importantly, helped stem the tide of protectionism.

It is clearly hoped by the global community that the World Trade Organization (WTO) will continue to provide a global insurance policy against protectionism, including through an early conclusion of the Doha Round of negotiations, especially because of the impetus this Round can provide to growth and economic recovery. A Doha deal would not only provide new market opportunities through the reduction of tariff barriers and, importantly, by disciplining domestic subsidies; it would also reduce the fixed cost of trading through the negotiations on trade facilitations.

Also, it would provide for an even greater extent of certainty by securing further binding commitments from the members of the WTO. However — and I think this is where the link with financing for development becomes even more important — the market access opportunities that a successful conclusion of the Round would create will need to be complemented by significant and targeted Aid for Trade as part of the global efforts on financing for development. The Aid for Trade Initiative seeks to address the supply side and trade-related infrastructure constraints that inhibit the ability of many developing countries to reap the benefits of the trading system. In short, Aid for Trade is about assisting developing countries not only to increase their exports of goods and services, but, perhaps even more importantly, to integrate into the multilateral trading system and to benefit from the liberalized market access that they hope to get.

The Initiative is also about bridging supply and demand, and I think many of us present in this Chamber will fill a very important nexus between supply and demand. The Initiative would have to ensure that developing countries mainstream trade into their national development plans and, on the other hand, encourage additional, predictable and sustainable funding for trade and development.

In a year when the progress towards the Millennium Development Goals (MDGs) will be reviewed, it is important also to underline the linkage between the Doha Development Round and Aid for Trade as a tool not only towards realizing MDG 8, but also for identifying the impact that they can have on poverty alleviation in the context of the MDGs.

Efforts to mobilize resources for Aid for Trade have so far been successful. The WTO's Second Global Review, held in July 2009, showed that there had been a broad increase of 10 per cent from year to year in Aid for Trade. The latest figures that we have from the Creditor Reporting System of the Organisation for Economic Cooperation and Development show that overall sector-allocable official development assistance is now over $25 billion. And if we add non-concessional lending to this, the figure actually doubles.

However, far from resting on these laurels, I think it is important to look at the challenges ahead. While more challenges may emerge, three issues are clear. First, there is significant pressure on the fiscal position of many donors, which could lead to pressure on their commitments as we come towards the end of the Gleneagles period. Secondly, there is an uneven rate of recovery from the global downturn, and any initiative will need to take into account the fact that some countries have, perhaps, not been able to emerge from the crisis as well as others. Thirdly, and most important to the micro-level work that we all do, there are now changing patterns of demand across countries and sectors.

With special reference to the first point, concerning the pressures on donors to commit for a further period of five years — and, to save time, I will not go into the second and third points — a recent report of the Organisation for Economic Cooperation and Development on donors' forward spending plans points to a possible slowdown in the rate of growth of aid flows over the next two years and to a widening gap as compared to earlier commitments made.

One way in which the case can be made for more and better aid for trade is through a greater emphasis on its impact as part of any future monitoring process that the global community undertakes. Our call is therefore for more and better aid, and this needs to be demonstrated by what we all know to be true — that aid for trade is working. There are very good examples in which it has led to both growth and development.

Let me conclude by saying that the economic crisis has underscored the critical role that aid for trade can play in strengthening the economic recovery and trade performance of developing countries, in particular the least developed amongst them. It is also true that significant progress has been made in making aid for trade a global partnership. Additional resources have become available — at least up to this point — in response to the growing demand from developing countries, generated also by their realization of the important linkage between trade and development.

As an integral part of the broader issue of financing for development, it is to be hoped that the next steps will see further progress built on what we have already achieved, and that an expeditious and successful conclusion of the Doha Round, complemented by effective and enhanced aid for trade, will help all of us to achieve the Millennium Development Goals.

The Acting President: I now give the floor to the Honourable Niko Lee Hang, Minister of Finance of Samoa.

Mr. Hang (Samoa): The Monterrey Consensus continues to be the major reference point for international development. Progress in the implementation of the priority areas embedded in the Consensus, had been slow and inconsistent. Even the momentum generated by the Doha Declaration of 2008 could not accelerate the early attainment of these principles, which, taken together, are necessary building blocks in sustaining the hard-earned development gains made by Member States.

Against such a backdrop, it is easy to be critical and judgmental, especially when multilateral understandings reached in good faith do not materialize in full, and undertakings pledged and promises made are not kept and fall short of expectations.

But all is not lost. Samoa views the Monterrey Consensus and the Doha Declaration as reaffirmations of the importance of genuine partnerships and the need to put one's house in order first. Durable and lasting economic and social development can come about only if they are country-owned and country-driven so that they can be sustained and help build resilience against exogenous shocks.

The economic and financial crisis spared no one, including the strongest and most advanced economies.

Its effects continue to impact disproportionately on the least developed countries and small island developing States, whose vulnerability is exacerbated by the converging crises of food, fuel and climate change. As a member of both groups, Samoa continues to be acutely affected.

And if the severe social and economic shocks were not sufficient, nature's intervention via the September 2009 tsunami tested our country and our people's resolve to the maximum. Some entire villages were wiped out completely and much infrastructure destroyed. And for an island with a small population, the loss of 143 innocent lives is an unparalleled experience.

The tsunami undercut the prospects for a quick recovery from the global recession and landed Government with massive private and public sector reconstruction and rebuilding costs. Their combined effect was an economic contraction. Slow growth resulted in reduced Government revenues, placing considerable pressure on Government expenditure programmes.

Yet, despite these constraints, Government is committed to maintaining macroeconomic stability through its structural reform programme, including public enterprise reform, and improving the regulatory framework through the public financial management reform. A debt policy and aid and development cooperation framework is currently being formulated. Needless to say, these reform programmes are well supported by Samoa's development partners. Without this much-needed help, Samoa cannot go it alone.

These frameworks have highlighted the fact that budget support is the preferred modality for donor support. In preparation for this policy shift, Samoa has strengthened its donor coordination frameworks to ensure that the priorities determined and agreed by the Government drive the whole development process. At the sector level, we have developed sector-wide approaches that are geared to help strengthen donor coordination at the sectoral level and to ensure that the sector priorities and the sector ministries take full responsibility and drive the coordination function.

There is a consolidation of the development of a medium-term framework for the budget, as well as improvements in the overall budget process. We remain committed to the debt management strategy, which serves us well in achieving a favourable debt outlook. In particular, we aim to adhere to our publicly announced ceilings for net public debt and fiscal deficit of 40 per cent and 3.5 per cent of gross domestic product, respectively, after the tsunami recovery framework has been completed.

We recognize that a better understanding of the needs of the vulnerable within our communities is the basis for improved policies and will prioritize the consideration of vulnerability issues. This is reflected in the rationale behind our school fee relief scheme and the establishment of a civil society organization support fund financed by multiple donors.

Along the same lines, we continue to focus on further infrastructural developments that would ensure universal access to the delivery of such services as agricultural access roads. The impacts of the tsunami have accentuated the need to promote diversified livelihood opportunities, particularly for rural communities, and the development of the informal sector.

The impact of the recession and the tsunami on Samoa is clearly being felt now, placing undue financial pressure on an economy that was already under stress. It is essential that we adopt and maintain a response mechanism that would protect the provision of basic social services, and at the same time continue the implementation of reform measures to generate growth in the medium and long terms. Our request for the transitional period before Samoa graduates from the least developed country category to be extended beyond December this year is an integral part of the basket of measures by Government that are geared towards these objectives. Samoa is grateful to be a partner in this Dialogue on Financing for Development.

The Acting President: I now give the floor to His Excellency Mr. João Gomes Cravinho, Secretary of State for Foreign Affairs and Cooperation of Portugal.

Mr. Cravinho (Portugal): On behalf of my Government, allow me to thank the President of the General Assembly for convening this fourth High-level Dialogue on Financing for Development, which will, we hope, allow us to strengthen international cooperation and galvanize action towards the implementation of the commitments that we have agreed upon in the Monterrey Consensus and the Doha Declaration.

At the outset, I avail myself of this opportunity to fully align this statement with the one to be delivered

by the representative of Spain on behalf of the European Union.

The discussions of the next two days should never lose sight of our primary responsibility to fight poverty and promote development worldwide. We can strive for better aid coordination and coherence among countries and organizations. We can also look for new synergies and an emphasis upon the added value of each policy. However, this effort will be of little use unless we mainstream development as a horizontal concern in all policies and strategies at the national, regional and international levels.

Let us face reality. Keeping our promises and responsibilities towards development is not only a moral and ethical quest. We live in a globalized and interlinked world where our prosperity, security and well-being are increasingly inseparable from what occurs elsewhere, outside our borders. The impact of persistent poverty, unemployment and economic crisis in one region can be quickly felt in others, not least through migration, social disruption and conflict.

Similarly, in the age of global economy, financial instability in one country is immediately felt in the markets of others. And we have seen this happen on several occasions before, most eloquently with the recent financial and economic crisis that started in one country and affected world stability and brought new challenges to our societies, reversing some hard-won gains.

At the same time, we should acknowledge that the crisis has also created new challenges and opportunities for us to embark upon paths of sustainable economic growth. Portugal remains committed to developing a competitive, knowledge-based, socially sustainable, inclusive, innovative and eco-efficient global economy. With this aim in mind, we intend to concentrate our efforts on innovative actions, such as the promotion of green jobs and renewable energies.

In this respect, allow me to recall that, as a member of the European Union, Portugal has already associated itself with the Copenhagen Accord, which we see not as a final agreement but simply as a step in the negotiations towards the conclusion of a comprehensive global legal framework within the United Nations Framework Convention on Climate Change. We are seriously committed to contributing to the implementation of adaptation and mitigation actions, in particular in small island developing States and least developed countries and on the African continent. We shall do this in the framework of the fast-start financing that is foreseen in the Copenhagen Accord to the tune of $7.2 billion until 2012.

With regard to the mobilization of domestic resources, Portugal continues to reiterate that this is a key element of our global partnership on financing for development, reinforcing the principle of ownership and reaffirming that each country is primarily responsible for its own economic and social development. At the same time, however, we are aware that there will be no ownership unless countries achieve a certain level of development and well-being. On this matter, it is important to remember that there are no simple, one-size-fits-all solutions. Countries are very different from one another, with different levels of development and with diverse constraints and challenges. As donors, it is important to bear this in mind.

Nevertheless, issues such as tax administration and good governance are vitally important factors for development and contribute to the mobilization and securing of domestic revenues for developing countries, allowing them to become less dependent upon official development assistance. But we know that tax reform is a complex political process in which each country has its own pace and constraints. This is particularly true of some of the countries with more fragile State apparatuses, and Portugal works closely with some of its partners in this regard. But we remain aware that, in many countries, tax reforms will for many years remain insufficient mechanisms for raising the required levels of development funding.

Moreover, we are also dealing with the new challenges of globalization such as the funding of global public goods connected to climate change or global health risks. It is our belief that we all owe special attention to the predicament that is faced by the least developed countries and by small island developing States, which have been harshly affected by the triple tidal wave of food, fuel and financial crises, at the same time as they face new sources of insecurity stemming from climate change. These partner countries need particular attention from the international community and, in this context, Portugal is looking forward to the General Assembly plenary meeting in September to debate the five-year review of the Mauritius Strategy for the Further Implementation of

the Programme of Action for the Sustainable Development of Small Island Developing States, as well as to the Fourth United Nations Conference on the Least Developed Countries, to be held next year in Istanbul.

Let me take this opportunity to stress here my strong conviction that, in order to be successful and result-oriented, we have to combine in a coherent manner all the different processes that are under way during this whole year within the development agenda, avoiding repetitions and striving for greater efficiency and effectiveness at the operational level.

We all know that, in many developing countries, violent conflicts have left a deep trail of reversed development, hindering any efforts to achieve development and poverty eradication. In Portugal's case, fragile States have been high on our agenda and there has been a strong commitment to responding to difficult situations in fragile States and, indeed, to conflict prevention itself. I continue to believe that remaining engaged, even in the most difficult situations, is the best approach to preventing the emergence of failed States and the spillover effects of conflict. A renewed focus on some of the challenges on the African continent is thus critical.

Furthermore, when resources are scarce and the needs are pressing, our response must be global, coordinated and fast. And yet all around the globe, one can sense tendencies to turn inwards as each country seeks to deal with the consequences of global crisis within its borders. In our view, it is precisely this set of circumstances that requires us to have an internationalist outlook.

The current aid architecture is evolving, quite rightly, to incorporate the contributions and opportunities that arise from the involvement of emerging Powers. We believe that, in this process, it is fundamental to listen to the voice of the poorer countries as well. It is probably the case that, over the years, their voices have not been sufficiently heard or their opinions sufficiently taken into account. I believe that this is a major reason for our not having always taken full advantage of the instruments that we have at our disposal.

Let us take, for example, the case of the discussions that are taking place in the Group of 20. While this certainly represents an improvement over the Group of Eight framework, we consider that the success of the solutions adopted by the G-20 will largely be dependent on the inclusion of the views of developing countries and regional groupings in the debate of all major issues, such as the reform of the international financial institutions, since such involvement widens the legitimacy and appropriateness of the decisions adopted in G-20 the framework. On various occasions, Portugal has underlined this point during our participation in international discussions, and we shall continue to promote efforts towards the greater legitimacy of international decision-making processes, both as a matter of principle and as a matter of effectiveness.

Another relevant example concerns the ongoing voice and participation reform process within the World Bank Group institutions. There, too, the central point is that widespread participation and a corresponding sense of legitimacy is an essential ingredient for the success of reform measures. We very much support the creation of an additional chair for sub-Saharan Africa, the third African chair, as a response to the request by African countries for wider representation and participation in the world economic system.

Finally, in this new multilateralism, we also need a stronger United Nations system. It is essential that this Organization function to its full potential, adequately representing the interests of all Member States. In this context, it is very important to promote increasing coherence within the United Nations development system, as well as greater complementarity between the United Nations organizations with different mandates.

Let me assure the Assembly that Portugal is supportive of all efforts to overcome this challenge of reforming and performing better. Achieving the goals that we set up at Monterrey remains within our grasp. What is fundamentally needed is the political will to make this reality possible, and I would like to say that Portugal has the political will, and will keep company with those who do.

The Acting President: I now give the floor to His Excellency Mr. Mohamed El Oraby, Deputy Minister for Foreign Affairs for International Economic Affairs and Cooperation of Egypt.

Mr. El Oraby (Egypt) (*spoke in Arabic*): I would like to begin by congratulating the President on his able leadership of this High-level Dialogue on

Financing for Development, and by expressing my appreciation to the Secretary-General for all his efforts towards its success. I would like to convey special thanks to the Financing for Development Office and to the Department of Economic and Social Affairs for their technical and organizational support.

I would also like to associate myself with the statements to be made by the representatives of Equatorial Guinea on behalf of the African Group and of Yemen on behalf of the Group of 77 and China.

More than a year has passed since we met at the summit level in Doha, Qatar, in late 2008 in order to review the progress made in implementing the Monterrey Consensus of the International Conference on Financing for Development. At that time, we adopted the Doha Declaration on Financing for Development, and today we meet in the context of the main biennial forum through which the General Assembly reviews which pledges have or have not been implemented, based on the six chapeaux that form the Monterrey Consensus and the Doha Declaration, as well as the new challenges and emerging issues. In Egypt's view, therefore, this review must be based on the following three major interlinked and complementary parameters.

The first parameter is the current international economic environment, particularly the world economic and financial crisis and its multiple effects on the developing countries and their international and domestic sources of financing. Despite the appearance of signs of recovery from the crisis, its effects in our developing countries are continuing and in some cases increasing. The crisis still remains a cross-cutting challenge to the six chapeaux of the financing for development process. This has had a negative impact on the flow of international financial resources, international trade, official development assistance and external debt sustainability, as well as on the mobilization of domestic resources.

In order to address this central challenge, developed countries must honestly and fully implement their current commitments in all these areas. They should also mobilize new and additional financial resources in support of financing for development so as to allow developing countries to deal with the other challenges and crises we are facing in energy and food security, as well as the grave dangers posed by climate change.

The second major parameter is the role of the financing for development process in achieving the Millennium Development Goals (MDGs). We agreed in Monterrey and Doha that thee is a direct link between the financing for development agenda and the achievement of the MDGs. That link is increasingly significant, particularly since we will be holding a comprehensive review of the Goals at the summit level in the last quarter of this year, with the aim of achieving them by 2015.

We must therefore examine the best ways to capitalize on the link between the financing for development agenda and the MDGs, which form a socioeconomic framework for assessing international levels of development in the context of a global partnership for development. In addition, special attention should be paid to the African continent, as all statistics indicate that it will be far from achieving these goals by the agreed date of 2015.

The third parameter is the broader context of the internationally agreed development goals. Action to implement the financing for development agenda must be in total harmony and consistent with the broader international development agenda. We must therefore move forward in a way that complements and parallels the outcomes of the major United Nations conferences and summits in the economic and social fields, which together outline our internationally agreed development goals. Our efforts to implement the financing for development agenda should thus strengthen the likelihood of implementing the broader agenda, and vice versa. Accordingly, our vision should be comprehensive and based on addressing and following up development issues. This also speaks to our urgent and long-standing call for the establishment of a comprehensive intergovernmental mechanism to review and track the implementation of internationally agreed development goals in order to give us a comprehensive overview of their implementation.

Developing countries have made great and tangible strides towards implementing their commitments under the financing for development agenda, particularly with respect to good governance and implementing sound national macroeconomic policies. However, these efforts at the domestic level must be accompanied by good governance at the international level, and that begins with the establishment of a sound international economic and financial structure. I would like to emphasize in this

context the close relationship between achieving development goals and creating a sound international economic and financial structure, two complementary and mutually reinforcing goals that form an integral part of the financing for development agenda.

It is this understanding that informs our urgent and legitimate calls for reform of the international economic and financial system, whose flaws have been exposed by the financial crisis; such reform will strengthen the participation of developing countries in international economic decision-making. The financial crisis should not be used as a pretext to marginalize developing countries, particularly those of Africa, or to exclude them from the international financial system at a time when that system is seriously affecting their economic and social circumstances. We also cannot agree to establish any new system that would reinforce rather than confront this marginalization. In this context, we emphasize that while we appreciate the efforts of the Group of 20 and the commitments its members have made, Egypt believes in the necessity of expanding its membership to make it more representative of the countries of Africa.

In conclusion, I would recall that our conviction in the importance of the financing for development agenda to the developing countries prompted us to play a critical role, alongside Norway, in leading the intergovernmental negotiations that resulted in the adoption of the Doha Declaration by consensus. Based on our continued interest in and desire to activate the financing for development agenda, we hope to strengthen the review process and the existing mechanisms to follow up the outcomes of the financing for development process, which form the basis for assessing progress made in implementing Monterrey and Doha. Despite the decision of the Economic and Social Council in July to strengthen the current follow-up mechanism, there remains room for further strengthening. In this regard, we hope that the report of the Secretary-General at the next session of the General Assembly will contain effective recommendations that serve that goal.

We need to achieve a balance between addressing the issue of financing for development and other issues relating to women, sustainable development and population, with respect to which we agreed to establish functional commissions to periodically follow up their development through intergovernmentally negotiated and agreed resolutions rather than by issuing chairpersons' summaries.

From the same perspective, I recall our agreement in Doha on the need to consider holding another follow-up conference on financing for development by 2013. Undoubtedly, we will need to initiate consultations on the necessity of convening such a conference. This will require us to consider the contribution it could make to a comprehensive review of achievements in the financing for development agenda five years after the Doha Conference, and of how it might help us contribute to and assess the broader international development situation as we approach 2015, the agreed date for achieving the MDGs.

The Acting President: I now give the floor to Mr. José Fernandez, Assistant Secretary of State for Economic, Energy and Business Affairs of the United States.

Mr. Fernandez (United States of America): The United States of America welcomes this opportunity to reaffirm our strong commitment to financing for development and the core principles of the 2002 Monterrey Consensus. After eight years, those principles continue to guide us. They are particularly important as we prepare for the Millennium Development Goals summit in September, where the global community will come together towards these important objectives.

The United Nations High-level Dialogue on Financing for Development, which began in Monterrey, has encouraged us to think and act outside of the official development assistance (ODA) framework. We have come to agree that ODA alone cannot make countries grow and prosper, and so, since 2002, we have looked more and more beyond ODA to mobilizing the broadest spectrum of resources for development finance, including trade, aid, investment, remittances and domestic resources. That broad range of both public and private flows to developing countries is key to building systems of sustained economic growth.

It is a United States priority to encourage economic growth in the developing world and to help ensure that this growth is broadly and inclusively shared. But even as we see signs of recovery, we must recognize that the economic downturn has dampened the prospects for growth in the world's poorest countries. And now, more than ever, we contemplate the last five years before the Millennium Development Goals come due and we must look to new and

innovative sources of development finance and new ways to make our assistance dollars go further and work harder. We join others in reaffirming the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. We join the global call for assistance to build systems and sustainability.

Our discussion today gives us another opportunity to solidify the consensus among United Nations Member States as we forge ahead to the next level of development thinking and funding. The United States joins all Member States today in our shared long-term goals of sustainable and inclusive economic growth and development. Our High-level Dialogue on Financing for Development underscores the central role of free and open trade, as well as private capital, as engines for development. Private sector capital flows to developing countries dwarf official development assistance. We cannot afford to discount the importance of these private drivers of development. The private sector is and will remain a crucial part of our strategies for sustainable development.

This Dialogue recognizes the need for national ownership and responsibility for development, and calls on national leaders to mobilize domestic resources for development. No country will ever grow and prosper where broad and inclusive economic growth is not the goal of its leaders. No amount of financing, public or private, foreign or domestic, will generate sustainable economic growth without responsible governance. The work begins at home and must be driven from within. We will help those committed to economic growth and good governance by promoting country ownership and partnering with responsible leaders in their efforts to prevent illicit financial outflows, combat corruption and use domestic resources for development.

Our commitment to improving access to financial services for the poor is one example of how we can better mobilize domestic resources for development. Expanding financial services, such as savings accounts, small business loans and entrepreneurship training will allow smallholder farmers and entrepreneurs to expand production and to reach bigger markets.

The billions of dollars that flow from the developed world to the developing world in the form of remittance transfers every year can play a vital role in reducing poverty in many countries, but their full potential has yet to be realized. We are looking at innovative ways to help countries to leverage these remittance flows for productive investments and for growth.

Eight years have passed since Monterrey, yet there is a continuing need to strengthen the international dialogue on sources of financing for development. The United Nations is an important forum for this discussion, and this event will provide valuable input for the September summit on the Millennium Development Goals by highlighting the continued importance of good governance and the importance of creating an enabling environment for the full range of financing that is needed to support systemic and sustainable development.

We are grateful for the opportunity that the financing for development forum provides for a frank and a substantive exchange of views, and we are even more eager to have an even more full discussion in September.

The Acting President: I now give the floor to Her Excellency Ms. Olga Algayerová, State Secretary of the Ministry of Foreign Affairs of Slovakia.

Ms. Algayerová (Slovakia): Allow me to associate myself with the statement that will be delivered by the representative of Spain of behalf of the European Union.

I would like to thank the President of the General Assembly for convening this important and timely meeting. The fourth High-level Dialogue on Financing for Development represents an important step in strengthening international cooperation and partnership in financing for development and the implementation of the Monterrey Consensus and the Doha Declaration.

My delegation is confident that frank and open exchanges over these two days will yield positive results as we prepare for the upcoming high-level plenary meeting on the Millennium Development Goals (MDGs) in September under the auspices of the Secretary-General. The upcoming high-level meeting represents an invaluable opportunity to agree on significant improvements in the growth and development prospects of developing countries.

We are meeting at a time of great turbulence. The international community must manage the global economic recovery, environmental sustainability and climate change, preserve the progress that has been made, and revamp global institutional frameworks and the reform agenda at the same time.

We are also meeting at a very opportune time. Despite formidable challenges, progress is being made across all regions. I believe that, with strong leadership, resilience, increased effectiveness and accountability on all sides, we can be successful. We feel that there is a strong interest on all sides in joining forces and working together towards this common goal. With only five years left until the 2015 target date, the United Nations should increase its role in mobilizing greater political momentum and the resources needed to accelerate the progress towards achieving the Millennium Development Goals, notably those related to hunger, maternal and child health, and education.

I would like to reiterate my country's commitment to the implementation of the Monterrey Consensus and the Doha Declaration. The six pillars of financing for development cover a very wide array of topics. They continue to represent an invaluable opportunity to promote significant improvements in the growth and development prospects of developing countries. As has been said before, meeting the commitments made at Monterrey and Doha is critical to achieving the Millennium Development Goals.

In order to effectively implement the Monterrey Consensus, it is important to mobilize domestic and international financial resources for development. As elaborated in the Monterrey Consensus, all countries should act to create favourable conditions towards increasing the availability and effective mobilization of resources for financing development.

Attention must be called to the need to improve governance at a national level and to create an environment conducive to domestic and foreign investment. Private capital flows are particularly important for increasing productive capacity and the development of infrastructure. My country actively supports efforts to mobilize domestic resources for development by improving public financial management and the soundness and effectiveness of developing countries' tax and customs systems, and by strengthening international tax cooperation.

Official development assistance (ODA) remains an important source of development funding for some developing countries, particularly the least developed. Developing countries must take the lead in setting the right policies and strategies that will help them to fight poverty and reduce the risk of natural disasters. Donors must enhance their efforts and continue to provide enough aid of the right quality, and to promote effectiveness and efficiency in line with agreed international principles. Slovakia continues to make every effort to meet its ODA obligations. As a new donor, we are working to strengthen our ODA delivery capacity and the effectiveness of our assistance.

As has been mentioned before, debt relief continues to be important. We call for further national and international measures aimed at reducing the outstanding indebtedness of developing countries facing unsustainable debt burdens, including debt cancellation and other arrangements, as appropriate.

Trade is one of the most important external sources of development financing. My Government supports the conclusion of the Doha Development Round on the basis of a comprehensive, ambitious and balanced outcome to the negotiations. In general, coherence in global policies on development assistance, debt relief and trade should be enhanced in order to increase the effectiveness of each of the policy elements to which I have referred.

In conclusion, I would like again to thank the President for giving me the opportunity to address the Assembly. Let me express my strong confidence that, in the face of multiple crises, the international community will not falter in following through on its commitments and declared objectives and that, through vigorous multilateral action, we will make further important progress on the development and poverty eradication, human rights, gender equality, decent work and environmental sustainability agendas.

The Acting President: I call on His Excellency Mr. Jorge Valero Briceño, Deputy Foreign Minister for North America and Multilateral Affairs of the Bolivarian Republic of Venezuela and Permanent Representative to the United Nations.

Mr. Valero Briceño (Bolivarian Republic of Venezuela) (*spoke in Spanish*): I would like to thank the President very much for facilitating this High-level Dialogue on Financing for Development. My delegation would like to associate itself with the statements to be made by the representatives of Yemen, on behalf of the Group of 77 (G-77) and China, and Chile, on behalf of the Rio Group.

This Dialogue is taking place at a time when countries, especially those of the South, are being

severely battered by capitalism's economic and financial crisis and when the world is feeling the terrible consequences of climate change. Those processes hinder development, promote the growth of poverty, inequality and injustice in many countries, and effect North-South relations.

Financing for development is neither a handout nor an opportunity to do business while exploiting the needs of other countries. It is a moral obligation to compensate for centuries of irrational exploitation of the peoples of the South and of nature. It is clear that developing countries are not responsible for the structural nature of the economic and financial crisis or for the ecological crisis.

The Bolivarian Republic of Venezuela underscores the importance of financing for development in reaching the Millennium Development Goals. To that end, it is necessary to implement the commitments made at Monterrey and Doha.

In the current reality of global capitalism, there is a clear predominance of financial economics over the real economy, and of speculation over the production of goods and services. In that context, global unemployment now far exceeds 200 million people, capital flows to the South have fallen, poverty has increased, and millions of people and thousands die of hunger every day.

Venezuela resolutely supports the position of the G-77 and China with regard to the need for a strengthened mechanism to monitor financing for development. Venezuela highlights the need for developing countries to meet their commitments to devoting 0.5 per cent of their gross domestic product to official development assistance by 2010, increasing it to 0.7 per cent by 2015.

In line with the Monterrey Consensus and the Doha Declaration, developed countries should reduce the debt and debt-servicing payments of developing countries, open their markets to the products of those countries, and encourage foreign investment flows to the South while guaranteeing the social and environmental sustainability of those investments.

Venezuela stresses the need for radical reform of the international financial and economic system, with close regulation of the functioning of international financial systems. Venezuela advocates the strengthening of financial architecture at the regional and subregional levels. In the context of the Bolivarian Alliance for the Peoples of Our America (ALBA), we are implementing a policy of integration through solidarity that is already contributing to the sovereign and integrated development of participating countries. For example, the ALBA Bank is financing development projects on the basis of solidarity and without the obscene conditionalities imposed by the Bretton Woods institutions. Venezuela underscores the potential that a new type of South-South cooperation without conditionalities holds for the financing of development.

Venezuela highlights the need to generate liquidity for the countries of the South so that they can pursue countercyclical policies that depart from the neoliberal budgetary adjustments imposed by the failed Washington consensus that led to the reduced social spending, devaluation and price adjustments that stimulate inflation. In that respect, it is essential to remove financing conditionalities for developing countries and to adopt policies promoting special drawing rights for development purposes.

I conclude by saying that financing for development is a commitment to humankind and to the planet. It is a historic commitment.

The Acting President: Given the long list of speakers, may I once again request the cooperation of members in keeping within the time allotted for each statement as agreed earlier, that is, no more than five minutes.

I now give the floor to His Excellency Mr. Juan López-Doriga, Director-General for Planning and Evaluation of Development Policies in the Ministry for Foreign Affairs and Cooperation of Spain, who will speak on behalf of the European Union.

Mr. López-Doriga (Spain) (*spoke in Spanish*): I have the honour to speak on behalf of the European Union. The candidate countries Croatia, Turkey and the former Yugoslav Republic of Macedonia; the countries of the Stabilization and Association Process and potential candidates Albania, Bosnia and Herzegovina, Montenegro and Serbia; as well as Armenia, Georgia, the Republic of Moldova and Ukraine align themselves with this statement.

First of all, we are pleased to participate in the fourth High-level Dialogue on Financing for Development. This is a crucial moment for making progress towards the achievement of the Millennium

Development Goals (MDGs) six months before the holding of the high-level plenary meeting in September and just five years from the deadline for meeting the MDGs. In the coming days, we will have an opportunity to submit data for the preparations for September's meeting, as well as to reiterate our commitment to building solidarity through mutual accountability in a forum of equals.

Since the adoption of the Monterrey Consensus in 2002, the financing for development agenda has been closely linked to the achievement of the Millennium Development Goals (MDGs). The review of the financing for development agenda at the Doha Conference in November 2008 took place in the context of the financial and economic crisis. This crisis has exacerbated not only the food crisis that has afflicted developing countries since 2007, but also the negative impacts of the energy crisis and climate change.

In this regard, it is essential that we honour our commitments and foster debate on new financing sources for development. The European Union reiterates its commitment to developing countries, particularly in terms of the volume and quality of its assistance and of the coherence of development policies.

The European Union, it should be recalled, is the leading donor worldwide, providing 60 per cent of all official development assistance (ODA). However, financing for development covers a broad range of issues, as stated in the Monterrey Consensus. It is not structured exclusively around ODA, but also includes the mobilization of domestic resources, the promotion of international trade, private financial flows, external debt and global governance issues. Moreover, since Doha, financing for development has faced emerging challenges arising from the food and energy crises, the economic and financial downturn, and climate change.

The European Union and its member States believe that, for the period from 2010 to 2015, a renewed mobilization of all resources for development from all sources and the implementation of policy coherence will be more necessary than ever. It is of paramount importance to reaffirm ODA commitments and to adhere to aid effectiveness principles through the implementation of the Accra Agenda for Action and the reform of the global aid architecture.

The European Union calls for the successful conclusion of the Doha Development Round with an ambitious and balanced outcome for developing countries. The combination of the aforementioned actions would help us to optimize resources in a more responsible and transparent way, thus increasing their impact on development.

In this regard, innovative sources of financing for development must be analysed in greater detail. The European Union remains committed to promoting policies and instruments that support investment and the expansion of our partner countries' private sectors in support of inclusive and sustainable economic growth. To that end, the mobilization of domestic resources remains one of the best formulas for enhancing assets for development in a sustainable manner.

Good governance in tax matters based on the fight against tax evasion could mobilize between $500 and $800 billion for development. In this respect, we are working on a road map guided by the principles of cooperation and shared responsibility, with three main objectives: first, the strengthening of tax administration and an appropriate design of tax systems; secondly, the strengthening of mechanisms to combat illicit financial flows and tax evasion; and, finally, efforts to support international cooperation and compliance with the standards for and commitments on the exchange of information among all countries, particularly the least developed. The promotion of an environment of transparency and cooperation requires greater coordination among all approaches and multilateral forums.

In addition to foreign direct investment, remittances and international capital flows in general have all been sharply reduced as a result of the crisis. All these flows need to be progressively re-established through the renewal of confidence in global markets, enhanced transparency, regulation and cost reduction, especially for developing countries.

Trade promotes investment and competitiveness and fosters faster economic growth in developing countries. Therefore, international trade and integration into regional and global markets must be part of any successful development strategy. The challenge for the international community is to ensure the intelligent drafting of international trade regulations, agreements, policies and bilateral and regional trade agreements that will enhance the development prospects of developing country partners. Predictable and more effective Aid for Trade is also essential to help

developing countries increase their trade capacity and address the difficulties they face in competing in local, regional and global markets.

Debt relief remains important. The European Union will continue to support the existing debt relief initiatives, in particular the Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative. The European Union believes that the Evian approach is an appropriate and flexible tool to ensure debt sustainability in times of financial crisis. We will analyse appropriate mechanisms for debt relief in order to mitigate adverse impacts when a debt crisis is inevitable.

Corporate social responsibility is also a measure being promoted in the European Union. The lack of transparency directly affects our companies, and we need to encourage ethical and responsible behaviour at the heart of their activities. The Global Compact principles serve as a reference in this respect, as does the integrated human rights and business framework that the Secretary-General is promoting.

From the institutional perspective, the crisis has also revealed the need for better coordination, both within the United Nations system and between the United Nations and the Bretton Woods institutions, with an ongoing reform process aimed at ensuring more inclusive and efficient institutions.

Finally, climate change and the food security crisis require the adoption of urgent measures. Today, over 1 billion people suffer from hunger and malnutrition. This is humanly unacceptable. All of our efforts should be focused on alleviating the drastic consequences of the crisis, which affects the poorest of the poor in particular. The European Union has always been at the forefront of the development agenda and remains firmly committed to supporting developing countries in their struggle to achieve the MDGs by 2015.

The Acting President: I give the floor to the chairman of the delegation of Yemen, who will speak on behalf of the Group of 77 and China.

Mr. Alsaidi (Yemen): Allow me, on behalf of the Group of 77 and China, to thank the President of the General Assembly, the Secretary-General and the United Nations system for their resolute commitment to development.

This fourth High-Level Dialogue on Financing for Development and its focus on "The Monterrey Consensus and Doha Declaration on Financing for Development: status of implementation and tasks ahead", demonstrate the will and resolve of the international community and its multilateral system.

The Group of 77 and China attaches special priority to the topic of financing for development and expresses its commitment to participating constructively in today's discussions, as well as in future negotiations.

The world economy may no longer be shrinking quite as fast as previously predicted, but we should not ignore the fact that the negative impact of the crisis is far from over. It may well be argued that its full effect remains to be seen, especially in developing countries. Even as analysts assure us that the world economy might be showing signs of recovery, unemployment and underemployment are on the rise worldwide, affecting the livelihoods of millions of people in the developing world. If the international community fails to contain the effect of the crisis and to address its roots once and for all, the world will face unimaginable and immeasurable consequences.

The 2002 International Conference on Financing for Development has gone down as one of the successes of the United Nations in development matters. Although there was strong resistance at first to allowing the United Nations to engage in financial matters, this resistance was overcome in the light of the irrefutable argument that the United Nations had a legitimate role to play in the process of development, as stipulated in its Charter. The Monterrey Consensus is in fact an important step forward towards a working partnership between the United Nations and the multilateral financial institutions. However, some of the ground gained in Monterrey, and then further secured in Doha, has been lost. There is a need for a robust follow-up mechanism that goes beyond official meetings.

The Group of 77 and China actively participated in last week's spring meeting of the Economic and Social Council with the Bretton Woods institutions, the United Nations Conference on Trade and Development and the World Trade Organization. Although significant progress was made at that meeting — as discussions were more interactive and we all agreed that we need sustained engagement — the level of

representation reflected the gap that still exists between New York and Washington, D.C.

The fourth High-level Dialogue will emphasize the need to reform the international monetary and financial system, including its implications for development, as well as the damaging impact of the current financial and economic crisis on the flow of direct investment, external debt and international trade. The Dialogue will also examine innovative sources of development financing in leveraging the mobilization of domestic and international financial resources for development. Let us briefly review performance in the light of the action areas indicated in the 2002 Monterrey Consensus and at the June 2009 Conference on the World Financial and Economic Crisis and Its impact on Development.

Developing countries have been forced to invest significant resources in servicing and reducing their debt. They have also had to invest assets in developed countries in order to protect their currencies in the context of an unsupportive and unstable international monetary and financial environment. The Group reaffirms the need for donors to fulfil their commitment to allocate 0.7 per cent of their gross national income for official development assistance to developing countries.

Reforms to the global governance structure have not been made, and there is no coherence in the policies of various international bodies that is required to complement and facilitate policy reform by developing countries. The Group of 77 and China expects that there will be a fundamental role for the United Nations in that process. In that context, we attach special importance to the Ad Hoc Open-ended Working Group of the General Assembly to follow up on the issues included in the outcome document of the Conference on the World Financial and Economic Crisis and Its Impact on Development (resolution 63/303).

Although the scope of the Monterrey process and the follow-up to the Conference on the World Financial and Economic Crisis are not the same, there are significant points of convergence among them. It is therefore important to look into the two processes from the perspective of financing for development.

The Group of 77 and China is committed to continuing the discussions with regard to the follow-up mechanism on financing for development as agreed in resolution 64/193. Achieving a more effective and inclusive intergovernmental process to carry out the follow-up on financing for development is vital to achieving our development. That process should receive the full attention and visibility it deserves in order to monitor and ensure the timely implementation of the decisions we made in Monterrey and Doha.

Developing countries, especially the most vulnerable and least developed, need to generate liquidity for development. They must also be granted aid and benefit from viable and sustainable advanced schemes for the management of debt, with the objective of freeing up resources for development. We must underline the interaction between financing for development and the Millennium Development Goals (MDGs), especially that linked to MDG 8. The Doha Declaration underscores the need to mobilize financial resources for development to achieve internationally agreed development goals.

The multifaceted impact of the current crisis has aggravated structural fragilities and imbalances. For that reason, we believe that it should be addressed through a common long-term strategy that takes into account, among other things, market access, technology transfers, the financing of measures to mitigate and adapt to climate change, food insecurity and external debt and related problems.

The Group considers trade to be a vital tool in providing long-term sustainable growth. In that regard, we call for the conclusion of the Doha Round to prevent future crises and to secure from erosion the development gains made before the crisis. Subsidies, in particular in the agricultural sector, have a direct impact in our countries and especially affect the most vulnerable farmers. We also consider it essential that the 0.7 per cent ODA commitment be reached. Moreover, we attach importance to the issue of innovative sources of financing.

Before I conclude, it is worth mentioning that reform in global economic governance issues is a prerequisite for making many other changes to the international financial architecture. International financial institutions need democratic, responsive and accountable governance that reflects the realities of the twenty-first century. Last week at the meeting of the Economic and Social Council, we learned that the reform of the international financial institutions is proceeding. That suggests that there is a need for an

increase of at least 3 per cent in voting power for developing and transitional countries. However, many developing countries have maintained that shifts in voting power should be no less than 7 per cent. We reiterate that voice reforms are essential and that development must be placed at the centre of international financial institutions.

Finally, I would like to reiterate the readiness of the Group of 77 and China to constructively and substantively interact in this process in order to give financing for development the importance it deserves.

The Acting President: I give the floor to chairman of the delegation of Chile, who will speak on behalf of the Rio Group.

Mr. Gálvez (Chile) (*spoke in Spanish*): The text of the Rio Group's statement will be distributed in the Hall. I read out a condensed version in order to keep within the time limits given to us by the President.

On behalf of the Rio Group, Chile would like to express its satisfaction at the holding of the fourth High-level Dialogue on Financing for Development at an especially important time leading up to the next summit on the Millennium Development Goals (MDGs). Financing for development is essential to achieving the targets set by our heads of State and Government at the Millennium Summit. The implementation of the commitments undertaken at Monterrey and Doha are of particular importance, especially for developing countries, which are more severely impacted by the effects of the international economic and financial crisis that has threatened the means of survival of the poorest and most vulnerable people in our societies.

The Rio Group reiterates that each country is responsible for its own economic development. In that regard, the mobilization of domestic resources is essential to ensuring success in the fight against hunger and poverty and ensuring full employment. Those resources, which are in and of themselves insufficient and have been diminished as a result of an unfavourable international economic environment, should be complemented by foreign financial resources. To that end, international cooperation without conditionalities is crucial and should be focused on allowing developing countries to design public policies that each country, exercising its sovereignty, chooses in light of its own needs and through its own domestic democratic processes.

In addition, developing countries need a favourable international economic climate if their national development policies and programmes are to succeed. In this context, the Monterrey Consensus provides the United Nations with a framework for promoting an economic climate favourable to national, international and systemic development financing. However, the greatest challenge eight years after those commitments were made continues to be their implementation.

The Rio Group stresses once again that the follow-up mechanisms to the commitments assumed in Monterrey and reiterated in Doha have not produced the desired results. We therefore appeal for a continuing exploration of alternatives in order to find the best way to implement those commitments. In this regard, we point to the contributions that the Rio Group, as well as other delegations, has made to help resolve, among other matters, the systemic problems that the global economic crisis has worsened.

The countries of the Rio Group have consistently reiterated the need for a broad international dialogue aimed at building a new international financial architecture that will guarantee the democratization and transparency of financial management and strengthen regulation mechanisms. We need to work for the thorough democratization of the international financial institutions in order to enhance significantly the developing countries' voice, representation and voting power in this area. This will ensure, among other things, that the financial institutions' actions focus on the development dimension.

Last year's United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development reaffirmed the urgent need to implement the necessary reforms to the global financial and economic system. In this context, it is important to recall the central role that the United Nations should play in this reform process in order, inter alia, to ensure coordination and coherence among the various efforts being made, as well as their legitimacy and representativeness.

We firmly believe that the United Nations — and the General Assembly in particular, given its universal nature — is the natural forum for the discussion of issues of global significance, including those related to the economic and financial crisis. We therefore reiterate our support for the central role to be played by

the United Nations in discussions pertaining to global economic governance. The Rio Group believes that special attention must be paid to this issue and that it would be opportune for the Secretariat to produce a study on the matter, taking into account the best options to ensure that the United Nations plays a central role in the area of global economic governance.

All the available reports indicate that the Latin American and Caribbean region has experienced a marked decline in direct investment flow and other private capital, such as remittances. This sharp decline has severely impacted the anti-poverty plans and programmes of the countries of the region. The Group trusts that, with the support of the international financial community, this trend will soon be reversed, thus bolstering efforts to attain the Millennium Development Goals (MDGs).

Regarding foreign debt, the Group reiterates that it is dangerous to maintain patterns of foreign indebtedness that are unsustainable for developing countries. As regards trade and development, we must avoid the temptation of protectionism, particularly in developed markets. In the present circumstances, it is important to achieve a successful outcome of the Doha Round, keeping the aspirations of developing countries front and centre.

International financial and technical cooperation, including South-South and triangular cooperation, is a fundamental part of the promotion of development. We also believe it important to stress that recipient countries must be completely free to define their own national development priorities, with external cooperation supporting such sovereign decisions. Once again, we emphasize that fulfilment by developed countries of their official development assistance commitments, as well as of other specific financial commitments they have made, is crucial to the attainment of the MDGs.

In this context, we appreciate last year's progress report of the Secretary-General on innovative sources of development financing (A/64/189). The importance of innovative development financing mechanisms allows us to suggest the desirability of following up on the Secretary-General's report on this topic. The Rio Group is therefore open to supporting all initiatives that can continue to promote efforts in this area. We believe that it would be very helpful to hold an event on innovative mechanisms for development financing in preparation for the MDGs summit in September that will emphasize solidarity and complementarity. We offer our support for such an initiative.

Finally, the Rio Group wishes to reiterate that it is important for the main conclusions and ideas exchanged in this debate to be part of the information to be considered in the consultation process on the upcoming MDGs summit.

The Acting President: I now give the floor to the chairman of the delegation of Equatorial Guinea, who will speak on behalf of the Group of African States.

Mr. Ndong Mba (Equatorial Guinea): On behalf of the 53 countries that make up the African Group, I have the honour and pleasure to address the High-level Dialogue on Financing for Development. The African Group associates itself with the statement by the representative of Yemen on behalf of the Group of 77 and China.

Allow me at the outset to emphasize the great importance that the African Group attaches to this meeting. This is because of the nature of the cardinal issues it is focusing on: the economic and financial crisis and reform of the international monetary and financial system, and their impact on development, including the attainment of the Millennium Development Goals (MDGs). It also arises from the fact that Africa has been among the hardest hit by the recent multiple crises, whose impact, besides the challenges relating to poverty, climate change and epidemics, is already reversing economic gains and undermining the efforts of the continent to achieve internationally agreed development goals, including the MDGs.

We regret that today the developing countries, which did not cause the current global economic and financial crisis, remain nonetheless the most severely affected by it. The seriousness of the impact is due to a continuing failure to address the systemic imbalances and inequities that have characterized the international economic system. Ironically, the indicators cited in the report (A/64/665) on progress towards achieving the MDGs — prepared by the Department of Economic and Social Affairs and presented at the high-level segment of the Economic and Social Council and the Bretton Woods institutions last week — show that the delivery gap in the commitments made to Africa is higher than the delivery gap worldwide, which raises

questions about the seriousness of the commitment to Africa's development.

Against this backdrop, the African Group calls for the immediate fulfilment of all official development assistance commitments, including the pledge by the countries of the Group of Eight to double official development assistance to Africa by 2010. The Group also calls for the creation of an expeditious process during the next session of the General Assembly aimed at establishing a monitoring mechanism to follow up on all commitments related to development in Africa, a commitment we all made in September 2008 during the high-level meeting on Africa's development needs, and which was reaffirmed and further highlighted in General Assembly resolution 64/258, adopted earlier this month, on the implementation of the New Partnership for Africa's Development.

(*spoke in French*)

Although the African countries recognize the importance of mobilizing domestic resources to achieve sustainable development, the effects of multiple crises have clearly underscored the importance of external support. In that respect, we believe that the fulfilment of the pledges of official development assistance is a way in which debt relief, increased aid for budget support, and the availability of trade and export financing will positively impact the African economies.

Coherence and consistency in international economic governance is an integral part of the financing for development process. We thus reiterate the need to enhance the voice and participation of African countries in international economic decision-making and norm-setting. Africa is of the view that the current crisis provides a good opportunity to address the long-standing imbalances and fragilities inherent in the current financial and economic architecture. Accordingly, the need for urgent and comprehensive reform has become all the more pressing, coupled with a focus on creating a more democratic, effective and inclusive system. In this context, we emphasize that the economic and financial crisis and efforts to address it should lead not to the further marginalization of the African continent in international economic decision-making and norm-setting, but rather to recognition of the need for the continent to be more closely involved.

In the years following the adoption of the Monterrey Consensus, most African countries markedly improved their macroeconomic and fiscal management. External debt indicators improved in most countries and the inflow of private resources grew substantially, including through the mobilization of domestic resources and the reform of economic and financial systems. These developments were hallmarked by appreciable increases in growth rates. However, as we know today, these modest growth rates were substantially eroded by the crisis. Nevertheless, estimates show that there are signs of recovery, and the African countries are determined to restore the pre-crisis growth levels.

In this regard, we envisage an international economic situation that will help Africa to attain its targets for sustainable growth rates, which will require, among other things, an end to the stalemate over the Doha Round in order to allow African countries to address their ongoing development challenges by incentivizing trade and addressing the issue of sustainable debt.

In conclusion, the African Group hopes that our discussion today will contribute to our collective endeavours to help the financing for development process to fulfil its full potential.

The Acting President: I now give the floor to the chairman of the delegation of Nepal, who will speak on behalf of the least developed countries.

Mr. Acharya (Nepal): In view of the lateness of the hour, I will try to give a redacted version of my statement. I have the honour to deliver this statement on behalf of the group of least developed countries (LDCs). We align ourselves with the statement made by representative of the Republic of Yemen on behalf of the Group of 77 and China.

The Monterrey Consensus and the Doha Declaration on Financing for Development are built on the premise that enduring, substantially enhanced and comprehensive international partnership is essential to securing adequate resources for financing development, in line with the commitment to making the twenty-first century a century of development for all.

The world's economic and financial situation has witnessed upheavals since the Monterrey Consensus was adopted in 2002. The process of globalization has been unable to ensure benefit to all in an equitable and judicious manner. The gap between the rich and the poor has widened, with the least developed and

vulnerable countries increasingly pushed to the margins. Unmet official development assistance (ODA) commitments, deteriorating terms of trade, loss of export revenue, fluctuating commodity prices, declining flows of foreign direct investment and reduced earnings from remittances and tourism pose a serious challenge to development financing and undermine the attainment of the Millennium Development Goals (MDGs) and the goals outlined in the Brussels Programme of Action for the least developed countries. The flow of resources should fully recognize and be aligned with the level of structural vulnerabilities and enormous development challenges of the countries concerned.

We are all aware that development is first and foremost the responsibility of the country concerned, but given existing conditions of low productivity, low human resource development, high poverty and the low equilibrium trap, there is barely any scope for increasing domestic finances in the LDCs despite their best efforts over the past several years. Therefore, we need a strong enabling international environment in order to fulfil the basic requirements for human survival and security. In this context, we need strong international partnership in the following areas.

All ODA commitments, particularly those committed to LDCs, must be fulfilled to deal with the common development issues as well as new and emerging challenges. In the wake of the multiple crises and adverse disproportionate impacts of climate change, this has become not only urgent but an emergency, even in the words of the Secretary-General. Greater market access must be provided to LDCs within the developed markets that is not offset or undermined by distortionary and discriminatory trade practices and other tariff and non-tariff barriers. We underline the importance of an early conclusion of the Doha Round of negotiations that is ambitious and equitable, with a strong development dividend to all, in particular the LDCs, with the early harvest of duty-free and quota-free market access and special provisions on the services sector.

Aid for Trade to LDCs must be additional and substantive and should aim at enhancing their trading capacity and international competitiveness. International financial institutions, in particular the World Bank and the International Monetary Fund, should ensure that the new facilities that have been created in the wake of the multiple crises are inclusive of all, including the LDCs, substantially financed, easily accessible and with fewer conditionalities in order to protect development and social goals, including employment for all.

Our development partners and the international financial institutions are also urged to encourage the private sector to consider investing in countries where financial need for sustaining livelihoods and maintaining basic economic activities is acute. Special risk mitigation and institutional guarantee mechanisms are necessary to encourage foreign direct investment in the last developed countries. A solution must be found to ease the debt burden of poor countries through sustainable management and temporary debt moratoriums. External debt relief measures help to release and direct much-needed resources to development activities.

The international community must also come forward with additional, substantive and secure funding and technologies to help the LDCs adapt to and mitigate the effects of climate change, together with a legally binding and ambitious climate change agreement.

We underline that a greater share and voice for, and involvement and effective participation of developing countries, including LDCs, in the international economic and financial decision-making processes are essential to a transparent, democratic and inclusive international financial architecture. Reform of the international financial architecture must result in enhanced capacity to provide financial resources for development activities in a coherent manner.

Finally, we must reiterate that if peace and development are mutually reinforcing, strengthened financing for development must be ensured to promote international peace and stability. It is in our hands. We must have a visionary outlook in all related fields, make conscious and equitable decisions and take determined action to follow through. This is how we will measure the success of high-level dialogues.

The meeting rose at 1 p.m.

United Nations A/64/PV.77

General Assembly

Sixty-fourth session

Official Records

77th plenary meeting
Tuesday, 23 March 2010, 3 p.m.
New York

President: Mr. Ali Abdussalam Treki ..... (Libyan Arab Jamahiriya)

In the absence of the President, Mr. Tommo Monthe (Cameroon), Vice-President, took the Chair.

The meeting was called to order at 3.10 p.m.

Agenda item 52 (*continued*)

Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference

High-level Dialogue on Financing for Development

The Acting President: I give the floor to the representative of Paraguay, who will speak on behalf of the land-locked developing countries.

Mr. Arriola Ramírez (Paraguay) (*spoke in Spanish*): Allow me to express the satisfaction of the group of landlocked developing countries for the holding of the fourth High-level Dialogue on Financing for Development, which is especially important in the light of the upcoming summit on the Millennium Development Goals (MDGs), to be held in September in New York.

We also take this opportunity to associate ourselves with the statement delivered by the representative of Yemen on behalf of the Group of 77 and China.

Financing for development is part of the core challenge of achieving the MDGs. For the most vulnerable economies, such as those of landlocked developing countries, it is essential that the international community meet the commitments undertaken at Monterrey and Doha. That is all the more important given the vulnerability of our countries, which has been starkly revealed by the various crises facing the world.

We therefore reiterate the need for comprehensive reform of the international monetary and financial system to focus on development efforts, with a view to ensuring the more inclusive participation of developing countries and emerging economies, while also producing greater policy coherence at the global level.

The economic and financial crisis has created an opportunity to undertake urgent and necessary corrections to the multilateral financial architecture, which should go beyond the emergencies arising from recent crises. Reforms must be structural and aimed at transforming the relationship between financial institutions and developing countries. In that regard, we believe that, as a universal body, the United Nations should play a central role in ensuring the success of our efforts to achieve better international coordination and coherence in economic and financial areas.

Landlocked developing countries' lack of access to foreign ports creates an inherent disadvantage that results in the lack of competitiveness of our export products. That geographical disadvantage has been compounded by the collapse of international trade as a result of the financial and economic crisis, to which must be added the volatility in prices for food and

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other commodities and tightening credit at the international level.

We encourage the successful conclusion of the World Trade Organization's Doha Development Round and urge developed countries to avoid giving in to the temptation of implementing protectionist trade measures, which could further exacerbate the negative effects of multiple crises.

The external debt of developing countries hinders opportunities for growth and development over the medium and long terms. In these circumstances, we believe there is a need for consensus in the search for a mechanism to alleviate the burden of foreign debt on developing countries. We believe such a step to be an eminently political initiative, but with great economic impact.

Landlocked developing countries believe in the concept that each country is responsible for its own economic and social development. We also understand that the mobilization of domestic resources is an essential tool in combating the hunger, poverty and inequalities that affect us. We are also convinced that international cooperation must be enhanced in all its aspects, including North-South, South-South and triangular cooperation. In that regard, the Almaty Programme of Action provides a concrete framework for cooperation between transit and landlocked developing countries, with the support of development partners.

Lastly, the group of landlocked developing countries will follow with special attention the search for innovative sources of financing as a complement to official development assistance for the achievement of the Millennium Development Goals, which should be our ultimate objective. We believe that this debate will make a decisive contribution to that end.

The Acting President: I give the floor to the representative of Saint Vincent and the Grenadines, who will speak on behalf of the Caribbean Community.

Mr. Gonsalves (Saint Vincent and the Grenadines): I have the honour to speak on behalf of the 14 States members of the Caribbean Community (CARICOM). CARICOM aligns itself with the statement made earlier by the representative of the Republic of Yemen on behalf of the Group of 77 and China.

CARICOM continues to believe that the United Nations, with its universal membership and legitimacy and in accordance with its Charter mandate, must be empowered to play a much greater role in economic and financial matters. We therefore welcome the convening of the fourth High-level Dialogue on Financing for Development. As we reflect on the theme for the Dialogue — "The Monterrey Consensus and Doha Declaration on Financing for Development: status of implementation and tasks ahead" — few can be satisfied with what has been achieved so far, particularly in terms of the fulfilment of commitments to support the development aspirations of developing countries.

Promises by developed countries of increased official development assistance, a more development-oriented trade system, expanded debt relief and greater democracy and transparency in international decision-making and norm-setting largely remain unfulfilled. For example, eight years to the day after the lofty pledges of the Monterrey Consensus, we are left to wonder about the sincerity of commitments to official development assistance, as the majority of developed countries continue to fall woefully short of the benchmark that they voluntarily assumed — to much fanfare — in Mexico. The grand pledges made at Gleneagles and at recent meetings of the Group of 20 (G-20) ring similarly hollow.

On the other side of the ledger of the global partnership for development, developing counties have taken the primary responsibility for their own growth and development. We have strengthened good governance practices, combated corruption and put in place enabling domestic environments to promote private sector-led growth. CARICOM exemplifies those achievements by developing countries. We have gone even further by creating a single market with a supporting institutional framework, and we are making good progress towards establishing a single economy.

Yet, our region continues to experience deteriorating terms of trade, declining levels of official development assistance and foreign investment, an increasing debt burden, and discriminatory and unfair threats to key income-generating sectors such as international business and tourism. Those challenges have all worsened during the financial and economic crisis and are further compounded by the high levels of vulnerability of CARICOM countries, including frequently occurring natural disasters such as

earthquakes, hurricanes and drought, and the increasingly adverse impacts of climate change.

Our efforts to effectively integrate into the global economy are continually inhibited by an international economic environment that is not sufficiently prepared to pay appropriate attention to the special needs and vulnerabilities of the small developing middle-income States of CARICOM. We reiterate the need for further consideration of those issues within the framework of the financing for development process.

In our attempts to enhance the coherence and consistency of the international monetary, financial and trading systems in support of development, we must bear in mind the need for differentiated support and targeted assistance to small highly indebted middle-income developing States and other vulnerable groups of States.

Our region continues to grapple with the effects of the global economic and financial crisis. Our economies largely remain in recession, as revenue from our main income- and foreign exchange-generating sectors, such as tourism, continue to decline. That has resulted in a significant decrease in aggregate demand throughout the region, higher unemployment and a worsening of the fiscal position and debt situation of most CARICOM States. The short- and medium-term economic forecasts remain bleak, as we will continue to feel the lagging effects of the crisis for some time to come.

Many of the ameliorative measures that need to be taken in response to that crisis are neither new nor in dispute. The outcome of last July's Conference on the World Financial and Economic Crisis and Its Impact on Development (resolution 63/303), which was adopted by consensus, reflects international agreement on the steps that we must take. Among those steps are an expansion of access to concessionary financing in response to the crisis, reforms in the governance of international financial institutions, the removal of unnecessary procyclical conditionalities, and the consideration of factors other than per capita gross domestic product, given that it is a poor indicator of economic sustainability. Highly indebted middle-income countries that are also highly vulnerable to external shocks and that face significant sustainable development challenges should be granted access to concessionary loans and financing from the international financial institutions to help mitigate the impact of the economic crisis.

In that regard, we welcome the commitment made by the World Bank at the twenty-first intersessional meeting of the conference of CARICOM heads of Government, held in Roseau, Dominica, last March, to encourage other international financial institutions to make CARICOM countries eligible for access to concessionary loans based on well-known vulnerability and resilience factors, since per capita income by itself is not an adequate indicator of a country's capacity for sustained development. That promise must become a reality if our region is to rebound from the crisis.

The effect of the crisis on our tourism sector has been made far worse by the imposition of an air passenger duty by one of our major tourism centres. Our leaders recently reiterated their collective concern over the deleterious effect of the air passenger duty on tourism, the Community's most important economic sector, and its related service industries. They also pointed out that the band in which CARICOM member States has been placed is unfair and discriminatory and places the region at a competitive disadvantage.

CARICOM remains concerned about the growing tendency of limited membership groups assuming decision-making powers on issues affecting the entire international community, without the consent or involvement of that community. We stand to squander the opportunities for creating a fair and more equitable system of global governance if responsibility for rule- and decision-making remain vested in limited membership groupings that are accountable only unto themselves and do not give due consideration to those who are severely affected by their actions. CARICOM does not sit at the table of the Group of Eight, the G-20 or the Organization for Economic Cooperation and Development; yet, the decisions of those exclusive groupings send shockwaves through our local economies and often have direct negative impacts on the lives and livelihoods of our peoples.

CARICOM reiterates its call for the timely completion of the negotiations of the Doha Development Round to ensure the fullest realization of the development dimensions of the Doha Work Programme. The continued delays in the negotiations jeopardize the delivery of development promises for developing countries. We therefore urge all major negotiating partners to demonstrate flexibility and to

engage constructively to facilitate the early conclusion of the Round in a manner that places development at its core.

Within that context, it is our expectation that the development dimension of the Round will include, among other things, an increase in effective market access in areas of export interest to the region; a genuine recognition of the real asymmetries between developing and developed countries, which are determined by several factors, including the size of our economies, supply capacity, and institutional and regulatory capacities; real sensitivity to the adjustment concerns resulting from trade reforms and liberalization; and full support for and the adoption of the proposals put forward by the group of small and vulnerable economies.

Before I conclude, CARICOM would also like to take this opportunity to highlight the urgent and acute financing for development needs of our sister State of Haiti. The heroic people of Haiti are struggling with the fallout of an earthquake of epic proportions. While the international response has been strong and welcome, much more needs to be done. While Haiti is awash in pledges of support, there is an urgent need for those pledges to materialize as soon as possible. Furthermore, CARICOM calls on international financial institutions and partner countries to offer support in the form of budgetary support to the Government of Haiti. The crisis of the earthquake in Haiti is not something that happens regularly and cannot be addressed with business-as-usual policies.

CARICOM remains convinced that, if the benefits of globalization are to be shared by all, the international community must deliver on the promises made at Monterrey and elsewhere on trade, development assistance, debt relief and the strengthening of the international financial system. The Assembly can be assured of CARICOM's continued support and engagement in this process as we seek to ensure the full implementation of the Monterrey Consensus.

The Acting President: I give the floor to the representative of Australia, who will also speak on behalf of Canada and New Zealand.

Mr. Goledzinowski (Australia): I am privileged to speak today on behalf of Canada, New Zealand and Australia. In the light of the long list of speakers, I shall deliver a slightly abbreviated version of my speech.

We gather together today as the global economy is emerging — too slowly — from the most significant and widespread downturn since the Great Depression, in the 1930s. Global gross domestic product declined by an unprecedented 2.2 per cent in 2009, but in developing countries economic growth fell from 8.1 per cent in 2007 to just 1.2 per cent in 2009. Progress towards the achievement of the Millennium Development Goals (MDGs) has slowed as a direct consequence of the economic crisis, following directly from the food and energy crises. The food price crisis alone was estimated by the World Bank to have pushed 100 million people into deeper poverty.

Despite those setbacks, Canada, New Zealand and Australia remain fully committed to assisting developing countries to achieve the MDGs. Now more than ever, urgent, coordinated and decisive action is required to harness all available global resources to build long-term resilience to shocks and to finance sustainable development. We strongly support the Monterrey Consensus and the Doha Declaration, and we welcome the progress made since those meetings.

But much more needs to be done. The restoration of the health of the global economy, by entrenching the recovery and laying the foundations for strong, sustainable and balanced growth, can contribute to the achievement of the MDGs. The summit of leaders of the Group of 20 in June will provide a useful opportunity to check on the progress made in the implementation of the commitments made at Washington, D.C., London and Pittsburgh. Let me highlight four other key actions that are needed to build long-term resilience to shocks and to finance sustainable development.

The first, and perhaps foremost, of these is to honour our aid commitments. The second is to explore new financing mechanisms and partnerships. The third is to promote broad-based sustainable economic development and to do more on trade and development. And the fourth is to make our aid more effective. Let me go back to the first of those elements.

I said that we will continue to honour our commitments on aid. In fact, Canada, New Zealand and Australia have taken steps to increase the volume of their aid. Australia has increased its official development assistance (ODA) by more than 70 per

cent over the past five years — from $2.2 billion to $3.8 billion this year. The Australian Government has formally and publicly committed to further substantial increases in aid volume through 2015. New Zealand remains on track to increasing its aid programme from $470 million in the 2008-2009 financial year to $600 million by the 2012-2013 period. In the 2008-2009 financial year, Canada met its commitment to doubling aid to Africa from the 2003-2004 levels. It is on track to doubling international assistance overall to $5 billion in 2010-2011 from 2001-2002 levels. I apologize for quoting lots of numbers but, in this debate, we think numbers are important. Together, we three call on others to reaffirm and, more important, to realize their existing aid commitments.

With the second element on our list we encourage the exploration of new financing measures, mechanisms and partnerships, in particular those that harness the private sector. For example, Australia is undertaking a $75-million debt-to-health swap with Indonesia, and has committed $250 million to the International Finance Facility for Immunization. Australia is also represented on the newly established United Nations High-level Advisory Group on Climate Change Financing. Canada has been a leading contributor to new financing mechanisms, including by providing $200 million to the Advance Market Commitment for Pneumococcal Vaccines and $25 million to the World Bank's Caribbean Catastrophe Risk Insurance Facility.

We also believe that supporting broad-based sustainable economic growth, including promoting increased international trade, remains critical for developing countries to achieve faster poverty reduction and economic development. We will continue to support trade liberalization unequivocally and to resist protectionism. We are also committed to helping developing countries to gain access to international economic opportunities. But developing countries face many challenges in realizing the benefits of increased trade. We will continue to provide assistance to developing countries to support broad-based sustainable economic growth and to translate the benefits of trade into progress towards the MDGs.

We have pushed, and will continue to push, for a successful conclusion to the Doha Round in 2010. That would provide a much needed boost to developing economies.

Finally, in line with our undertakings in the Paris Declaration and the Accra Agenda for Action, we are undertaking a range of reforms aimed at increasing the effectiveness of our aid. For example, we will increasingly channel our assistance through partner Governments' public financial management systems in support of agreed national development plans. Another example is our commitment to untying aid in line with Organization for Economic Cooperation and Development policies, the Paris Declaration and the Accra Agenda. Untying is good development policy. Australia and New Zealand both have untied aid, and Canada will untie all of its official development assistance by the 2012-2013 financial year.

Those are four key initiatives — let us call them commitments — that Canada, Australia and New Zealand have undertaken to assist developing countries to build their long-term resilience and regain momentum towards achieving the MDGs.

The Acting President: I give the floor to the representative of Ghana.

Mr. Christian (Ghana): My delegation fully associates itself with the statements delivered by the representatives of Yemen and Equatorial Guinea on behalf of the Group of 77 and China and the African Group, respectively. In view of that, my delegation would like to make a few remarks from the perspective of a commodity-exporting country.

Ghana is well endowed with natural resources and depends on commodities exports for the bulk of its foreign exchange earnings. Our country exports commodities such as cocoa, coffee, gold, diamonds, timber and other non-traditional products. Even so, Ghana remains heavily dependent on international financial and technical assistance.

At Monterrey, we resolved to address the challenges of financing for development around the world, particularly in developing countries, with the aim of eradicating poverty, achieving sustained economic growth and promoting sustainable development. The Monterrey Consensus was built upon the belief that international cooperation for development should be seen as a partnership between developed and developing countries. Developed countries pledged to complement the efforts of developing countries with increased development assistance, a development-oriented trade system, debt relief and increased private financing.

Commodity exporters face daunting challenges that affect their ability to mobilize the resources needed to finance their development. I would like to underline the centrality of commodities to the economic prospects of many developing countries, given the fact that commodities continue to form the backbone of the economies of those countries, especially the poorest among them. They depend on that sector for revenue generation, job creation and foreign exchange earnings. The Commission of Experts of the President of the General Assembly on Reforms of the International Monetary and Financial System underlined the central importance of the commodities sector and called on the international community to explore ways to mitigate risks arising from commodity fluctuations.

The commodity issue is part of a complex set of problems that need to be addressed in a comprehensive manner while taking into account underlying causes. The major systemic issues that need to be addressed in a sustainable way include the supply capacity limitations under which commodity producers operate, the lack of diversification in their production and exports base, the lack of effective participation in the value chain, and the need for an enabling international environment, including an equitable and rules-based international trade system.

Although there has been some rebound, markets remain at a low ebb and are highly volatile. Export earnings and Government revenue may continue to be depressed in many developing countries. Among net exporters of commodities, low-income countries are being hit the hardest because primary exports comprise, on average, 70 per cent of their total exports. In addition, a high share of Government revenue comes from taxes on those exports.

Many developing countries may not achieve the Millennium Development Goals by 2015 if no concrete and immediate measures are adopted to address the challenges associated with the commodities market. The following are some of the issues on which attention should be focused.

First, significant improvements are required in international development assistance — targeting the commodity sector — to reverse declining official development assistance for agricultural development. Secondly, there is a need to improve the effective participation of commodity producers, especially smallholders, in the value chain. Thirdly, there is a need to design viable strategies for diversification and to provide adequate financing to facilitate commodity development and competition.

Ghana is striving to transform its agriculture-based economy into a more service-oriented one. Telecommunication, transportation, tourism and Government services look to benefit from increased development, which will require intensive infrastructure development. But our country's ability to finance those development projects will depend on whether it can maintain robust export growth, which in turn depends on stable and favourable prices for its primary exports and, above all, on whether Ghana is able to introduce more of its products and services to foreign markets.

It is only when this happens that the partnership we talked about at Monterrey will become meaningful to Ghana and other developing countries.

The Acting President: I now give the floor to the representative of Germany.

Mr. Wittig (Germany): Germany endorses and fully aligns itself with the statement of the European Union (EU).

Today's High-level Dialogue is taking place at a critical time. Achieving the Millennium Development Goals (MDGs) in their entirety by 2015 will require a major joint and coordinated effort by all development partners. The high-level plenary meeting on the MDGs to be held in September is thus of paramount importance to Germany. We can achieve the MDGs only in global partnership. This will require mobilizing both international and domestic resources while at the same time improving the effectiveness and efficiency of aid. My country has therefore significantly increased its funding for development cooperation in recent years and will remain a reliable partner as we stay committed to achieving the official development assistance target of 0.7 per cent of gross national income by 2015.

Sustainable development is never simply a question of international financial resources. A coherent set of national and international policies and the effective and efficient delivery of aid are equally important. Germany will therefore continue to support the implementation of the principles of the Paris Declaration and the Accra Agenda for Action.

The principle of global partnership also applies to our efforts to conclude the World Trade Organization's Doha Round with an ambitious, balanced and comprehensive outcome as soon as possible, particularly as concerns improving the integration of developing countries into the world trading system. It also requires continued and swift completion of other ongoing processes, such as the World Bank's voting rights reform. This reform, which will shift at least 3 per cent of voting power from advanced economies to developing and transition countries, will increase the voice of those countries in the Bank.

Climate change remains one of the outstanding cross-cutting issues of financing for development. The carbon market will play a crucial role in this regard. Germany intends to use a share of the proceeds from auctioning emission allowances to companies for financing climate-related mitigation and adaptation activities in developing countries.

In order to make better use of the private sector with regard to development, we need an enabling environment for sustainable private-sector development as well as foreign direct investment in developing countries. In addition, donor countries, together with developing countries, are encouraged to strengthen private sector efforts to promote public-private partnerships and corporate responsibility. The United Nations Global Compact offers a solid and dynamic framework for this field of action.

Mobilizing domestic resources also requires intensifying efforts to promote good governance in developing countries through, for example, administrative reforms, fighting corruption, transparency in the extractive industries, strengthening judicial systems, decentralization and strengthening civil society and national tax systems. Good governance in the tax area would significantly increase domestic financial resources for development. The International Tax Compact, which was launched by the German Federal Ministry for Economic Cooperation and Development, seeks to mobilize domestic resources in developing countries by strengthening national tax systems and fighting tax evasion and inappropriate tax practices, and provides a valuable framework in this regard.

Addressing the problem of indebtedness will remain equally important. As of today, a significant number of developing countries have benefited from broad debt relief through the Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative. But further care needs to be taken to avoid a recurrence of unsustainable debt levels in the future. Additional thought must also be given to the question of whether international mechanisms for dealing with debt crises need further refinements.

All these dimensions are equally important for achieving the MDGs in their entirety. Making it happen thus requires a holistic and integrated approach. The high-level plenary meeting in September will be vital for creating a new sense of urgency, agreeing on the right set of policies and reaffirming the political will on the part of all relevant stakeholders needed to accelerate progress in order to jointly achieve the MDGs by 2015. Let us renew our partnership to make this happen.

The Acting President (*spoke in French*): I now give the floor to the representative of France.

Mr. De Rivière (France) (*spoke in French*): I would like at the outset to associate myself with the statement of the European Union.

Since 2002, we have shared a common vision of financing for development based on two main principles, which must continue to guide our actions. The first is the necessity for a global approach within the framework of the need for coherence and coordination in the international economic, financial and trade systems. The second is the partnership that has been established and that unites all the interested parties outside Governments, including non-governmental organizations, the private sector, foundations and many others.

Today, however, the implementation of the Monterrey Consensus and the Doha Declaration is taking place in a context of crisis that has spared no one. Despite the resumption of growth, we have all been affected by this crisis. In addition, for developing States the crisis is likely to have an impact on their progress towards achieving the Millennium Development Goals, especially the fight against poverty and hunger, maternal and child mortality, and access to primary education and water. These tragic effects are being compounded by new needs for financing public goods worldwide, especially climate change adaptation, food security and combating pandemics.

In this context, we must create the basis for a conclusive, lasting and more balanced form of cooperation. I would like to underscore four areas where we need to act. First, we must mobilize the primary source of financing for development — the national resources of countries themselves. This requires in particular the establishment of effective fiscal systems, combating corruption and the creation of an environment conducive to the development of private initiative.

Secondly, we must increase the contribution of private financial capital to development. We must move forward on facilitating and securing remittances from migrants and encouraging their participation in productive investment in countries of destination.

Thirdly, we need to continue to seek additional sources of stable and predictable financing by imposing a globalization tax. Alongside its pilot group partners, France is fully committed to finding innovative financing for development. We have been involved in the working group on international financial transactions for development aid from the beginning, and we now need to go further.

Fourthly, in regard to building cooperative globalization conducive to sustainable development, the decisive action of the Group of 20 has enabled us to avoid a collapse of the system. It has been agreed that the reform of international economic and financial governance should be accelerated, including by ensuring that financial institutions are more representative in nature. Measures have been taken to correct macroeconomic imbalances with the help of the International Monetary Fund. We must continue our efforts for a coordinated and effective approach to the new global challenges and strengthen the complementarity of the efforts undertaken at the international level.

The United Nations, given its universal nature and capacity to address every aspect of globalization, in particular social and environmental issues, is a major player in this regard. The Organization must also continue to pursue all of the reforms it has undertaken for the benefit of its Member States.

The Acting President: I give the floor to the representative of Kazakhstan.

Mrs. Aitimova (Kazakhstan): As speakers before me have emphasized, we are meeting at an important juncture on the road to the Millennium Development Goals (MDGs) summit to be held in September. We strongly believe that this High-Level Dialogue is an important occasion to fully utilize the convening power of the United Nations and the capacities of all its partners to advance the United Nations development agenda.

In the light of the ongoing reforms of the international financial architecture, we recognize the critical role that the Bretton Woods institutions play in helping countries to achieve the Millennium Development Goals. We believe that the United Nations should adopt a more effective intergovernmental mechanism that would warrant a more substantive review process, while maintaining its inclusive and multi-stakeholder approach.

The unique format and comprehensive nature of the Monterrey Consensus has allowed it to be an effective multi-stakeholder mechanism to help in that endeavour. We would like to underline that the Monterrey Consensus is a far-reaching, landmark document. We call on Member States to make all necessary efforts to respect the commitments that we jointly undertook at the Millennium Summit, in Monterrey and at the Doha Review Conference.

From this standpoint, Kazakhstan would like to draw attention to the need to achieve progress in addressing the special needs of the landlocked countries. We call for all interested parties to firmly follow the recommendations of the Almaty Programme of Action and to commence implementing the measures adopted on the occasion of the mid-term review. Cooperation efforts, including official development assistance, technical assistance and commitments in multilateral trade negotiations, must be better tailored to those countries' specific conditions.

We recognize that middle-income countries still face significant challenges in the area of poverty eradication and that their efforts to address those challenges should be strengthened and supported by the United Nations system, the international financial institutions and all other stakeholders in order to ensure that the achievements made to date are sustained. In this respect, technical and consultancy assistance in solving development problems is of great importance.

We believe that, in order to make a difference in promoting the implementation of the Monterey

Consensus and Doha Declaration, we need to work together to identify innovative sources of development financing, focusing more on the private sector and other forms of development assistance.

A well-functioning multilateral trading system can benefit everyone and contribute to enhancing the integration of developing countries into the system. For Kazakhstan, as a participant in the negotiating process for accession to the World Trade Organization, maintaining an open, equitable, rule-based, predictable and non-discriminatory multilateral trading system, as stipulated in the Millennium Declaration, is especially important.

The financing for development process provides the opportunity to foster rapid and substantial progress in achieving the Millennium Development Goals and other internationally agreed development goals, as well as other aspects of national development strategies. A considerable number of developing countries are making tremendous strides towards achieving the internationally agreed development goals, including the MDGs.

Since the adoption of the Millennium Declaration, my country has come a long way on the path to sustainable development. The country has achieved some of the agreed development goals. The task now is to consolidate these achievements and take the solution of existing problems to a qualitatively new level, with more ambitious goals and targets, within the current agenda for MDG-Plus.

The global financial and economic crisis affected our economy's growth rate. It failed, however, to stop our development thanks to the timely and effective measures taken by my Government. The initial priorities in dealing with the turmoil were to stabilize the financial system and restore confidence in economic management.

President Nursultan Nazarbayev, in his annual address to the nation, set out a range of tasks for my Government. In particular, the President called for the implementation of a single budgetary programme on the development of entrepreneurship in our regions, entitled "Business Road Map 2010". This year, Kazakhstan begins implementing the development strategy until 2020. The goal of the strategy is to realize steady economic growth through accelerated industrialization and infrastructure development. The objectives for the next decade include improving economic well-being, reducing poverty and unemployment, and increasing social subsidies by 20 per cent, as well as strengthening security.

In the light of a rapidly changing development environment, and given the limited time frame for attaining the MDG agenda, Kazakhstan is ready to cooperate with all parties to the Monterrey Consensus and Doha Declaration. To overcome obstacles and reach our common goals, the spirit of Monterrey must be kept alive and well.

The Acting President: I give the floor to the representative of Japan.

Mr. Sumi (Japan): The most important event in the field of development this year is the high-level plenary meeting to be held in September, which will focus on the review of the Millennium Development Goals (MDGs). The plenary will provide us with our best chance to galvanize the political will necessary to achieve the MDGs by 2015. The Government of Japan therefore attaches the highest importance to it.

An effective review of the MDGs requires efforts beyond identifying and stressing the gaps that remain in delivering on commitments. We need to identify cross-cutting issues and effective approaches that are indispensable to the achievement of the MDGs.

The global financial and economic crisis has put at risk the very survival of poor people and threatens to wipe out the hard-won progress that has been made towards the achievement of the MDGs. The international community therefore needs to stay focused on the human aspects of this crisis. On the basis of the human security perspective, Japan believes that attention should be directed to protecting and empowering the poor and the vulnerable by helping to sustain people's livelihoods and providing social safety nets.

Even in the midst of this crisis, donor countries should stand firm with regard to the commitments they have made to provide assistance. At the same time, we should focus on output and outcome rather than input. We should discuss how to deliver assistance to the people who need it most.

Prime Minister Yukio Hatoyama has affirmed that Japan will work in partnership with international and non-governmental organizations and strengthen its assistance to developing countries in terms of both quality and quantity. He has also declared that Japan

intends to continue and strengthen the Tokyo International Conference on African Development (TICAD) process, and redouble its efforts towards the achievement of the MDGs and the promotion of human security. Japan will fulfil the commitments announced at TICAD IV without fail, including doubling Japan's official development assistance (ODA) and providing assistance to double Japanese private investment in Africa by 2012.

The Monterrey Consensus reminds us that developed and developing countries, and the private and public sectors, share responsibility for development. The spirit of Monterrey is all the more important now when all stakeholders, including emerging economies, international organizations, foundations, corporations, civil society and academia must join hands to resolve the crises we face. This participatory approach is also an important component of the human security approach, which I mentioned before.

One effective driving force of such an approach is the Global Fund to fight AIDS, Tuberculosis and Malaria. Public and private partnership has been indispensable to our collective effort to fight HIV/AIDS, tuberculosis and malaria. In order to maintain the positive momentum and achieve results, Japan, as one of the Fund's founders, supports its efforts to invite a wider range of public and private donors to make financial contributions at the meeting of the Third Voluntary Replenishment in October.

Japan has also been well aware that a wide range of financial resources must be mobilized in order to meet global development needs, including the MDGs. The serious nature of the financial crisis makes discussions of ideas for additional resource mobilization in the international community all the more relevant. In this context, we are proud to become the next chair of the Leading Group on Innovative Financing for Development. Japan is considering holding the next plenary meeting after November this year, and hopes that it will produce fruitful discussions and contribute to achieving the internationally agreed development goals.

Today, South-South and triangular cooperation are widely seen as indispensable means of international development cooperation. For over 30 years, Japan has recognized the value of South-South cooperation and actively engaged in triangular cooperation. Japan now maintains the Partnership Program for South-South Cooperation with 12 countries in Asia, Latin America, Africa and the Middle East. The rhetorical difference between solidarity and aid-effectiveness should not prevent us from moving forward with concrete actions on South-South and triangular cooperation.

Each country should take primary responsibility for its own development with a strong sense of ownership. The Secretary-General's report on the MDGs, entitled "Keeping the promise: a forward-looking review to promote an agreed action agenda to achieve the Millennium Development Goals by 2015" (A/64/665) aptly points out that raising resources to finance the MDGs should start at home.

Japan also recognizes that a wide range of financial resources, including not only ODA, but also domestic resources and foreign direct investment, needs to be mobilized. Human development remains a key priority as we enhance domestic financial resources for development. The Doha Declaration points out the importance of stepping up efforts to enhance tax revenues through modernized tax systems and broadening the tax base. It also stresses the catalytic role of ODA and other mechanisms, such as guarantees and public-private partnerships, in mobilizing private flows. At TICAD IV, Japan announced support for infrastructure development and investment in Africa.

I would also like to touch upon some other major areas of the Monterrey Consensus. Based on our own development experience, Japan knows that free trade is a strong engine of development, economic growth and poverty reduction. It is for this reason that my Government is fully committed to the fight against protectionism, which was reaffirmed in a series of Group of 20 (G-20) summits. We are also committed to bringing the Doha Round negotiations to an early conclusion. Because we think that trade liberalization and Aid for Trade are inseparably linked, in July last year Japan announced its Development Initiative for Trade 2009 to provide trade-related ODA for the development of ports and roads and for technical assistance, such as training customs officers of developing countries.

Mr. Grauls (Belgium), Vice-President, took the Chair.

International financial institutions have a pivotal role to play in the efforts to overcome the current crisis. Japan welcomed the swift responses of the International Monetary Fund (IMF) and the World Bank, and is pleased that the G-20 has now delivered on its promise to treble the resources available to the renewed and more flexible IMF New Arrangements to Borrow.

We also agree that there is a need to reform governance of the international financial institutions so that they may play the increasingly important roles demanded of them in developing a more robust and stable global financial system. It is critical that the legitimacy and effectiveness of that system be enhanced. Japan will also work with other countries to pursue governance and operational effectiveness reform of the World Bank in conjunction with voting reform, with a view to reaching an agreement by the 2010 spring meeting.

In conclusion, allow me to express the hope that the discussions of this High-level Dialogue will provide valuable input to the upcoming high-level plenary meeting on the MDGs.

The Acting President (*spoke in French*): I give the floor to the chairman of the delegation of China.

Mr. Li Baodong (China) (*spoke in Chinese*): On behalf of the Chinese Government, I wish to commend the convening of this High-level Dialogue on Financing for Development. The Chinese delegation aligns itself with the statement made by the representative of Yemen on behalf of the Group of 77 and China.

The global economy is slowly emerging from a deep decline and clearly heading upwards. Developing countries, hit hardest by the financial crisis, are faced with resource shortages, environmental degradation and other difficulties. This is the tenth year of implementation of the Millennium Development Goals (MDGs), and the 2010 high-level plenary meeting on the MDGs will be held at United Nations Headquarters in September. At this critical moment, revisiting the global partnership for development established at the conferences on financing for development held in Monterrey and Doha is of special significance. We must therefore focus on solving the financing difficulties of the international development process.

As the most representative and authoritative international organization, the United Nations should continue to play a lead role in financing for development and facilitate the establishment of extensive partnerships among Governments and all sectors of society to ensure the coordination and coherence of the relevant international policies.

In this connection, China proposes that efforts be made in the following areas. First, we must galvanize political will, mobilize international resources and push for the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development. The principles, policies and objectives established by the Monterrey Consensus are of special relevance today, and the Doha Declaration has injected new vigour and vitality into the financing for development process. We are of the view that developed countries must fulfil their commitment to allocating 0.7 per cent of gross national income to official development aid, offer greater debt relief and open their markets to developing countries.

Secondly, they must strengthen coordination of macroeconomic policies, accommodate the interests of various parties and promote balanced growth of the world economy. The financial crisis has revealed the serious problem of development imbalance. Only by redressing the economic backwardness of developing countries can there be truly a balanced and orderly development of the world economy. Governments need to strengthen coordination of their macroeconomic policies through the necessary fiscal, monetary and regulatory means, and promote and sustain the momentum of economic recovery.

Thirdly, we must promote the further opening up of the market and firmly oppose trade protectionism. The international community needs to remain on guard against the rise of trade protectionism. Developed countries need to open markets to and reduce or exempt tariffs on developing countries, especially the least developed. The parties concerned should push for the Doha Round negotiations to achieve, at an early date, the goals of the Round in accordance with the current mandate and on the basis of existing achievements.

Fourthly, we must improve global governance and effectively increase the representation and voice of developing countries. The improvement of global governance should be achieved under the principle of

equal participation, cooperation and tolerance and by giving priority to increasing the representation and voice of developing countries.

With regard to financing for development, it is imperative to improve the distribution mechanisms and rules of international development assistance, and to ensure that international financial institutions significantly increase their input into long-term development and give priority to increasing their financing support to developing countries.

As a developing country, China attaches great importance to development. We have laid out a development strategy that is suited to our national conditions and is compatible with the MDGs and other international development goals. China has achieved, ahead of schedule, the goals of eradicating extreme poverty and hunger. We are providing universal primary education, lowering the rate of child mortality and preventing and treating malaria.

The international financial crisis has posed unprecedented difficulties and challenges for China. China has made timely adjustments to its macroeconomic policy, carried out a proactive fiscal policy, moderately loosened monetary policy and comprehensively implemented and improved its package plan in response to the crisis. We have been able to weather the difficulties by vigorously expanding domestic demand, significantly improving the social security network, creating more jobs and maintaining the stability of our domestic financial market. In the process, China's economy has suffered heavy losses and made tremendous sacrifices. Maintaining the stability and growth of the Chinese economy is not only good for China itself, but also conducive to the stability and recovery of the economies of the region and the world as a whole.

China's assistance to other developing countries will not be compromised by the impact of the financial crisis. China will continue to do what it can to provide assistance to other developing countries within the framework of South-South cooperation. At the United Nations high-level event on the MDGs held in September 2008 and at the fourth ministerial meeting of the Forum on China-Africa Cooperation held in November 2009, China announced a series of measures to help other developing countries. Those measures, which focus on infrastructure development and improving people's lives, are being implemented one by one. China will continue to be actively engaged in the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development. We will contribute to international cooperation for development.

The Acting President (*spoke in French*): I now give the floor to the representative of the Republic of Cameroon.

Mr. Tommo Monthe (Cameroon) (*spoke in French*): I would like to associate myself with the statement delivered by the representative of Yemen on behalf of the Group of 77 and China. I should also like to thank you, Sir, for giving me the floor on the important issue of financing for development, which is at the heart of this High-level Dialogue.

This debate, it should be emphasized once again, is taking place in a global economic environment in which there have certainly been some improvements, although we are still experiencing the social repercussions of the deepest economic crisis. From the perspective of a global partnership for development, following up the Monterrey Consensus and the Doha Declaration calls for an in-depth review of the implementation of the commitments undertaken in 2002 and reaffirmed in 2008. It also requires strengthening the efforts that have been made to roll back the setbacks that have occurred and to contain and address new challenges, in particular those posed by the economic and financial crisis.

Today, all indicators indicate that developing countries cannot achieve all the Millennium Development Goals (MDGs) by 2015 unless the current negative trends in the global economy are reversed. Less than two years ago, the MDG Steering Group, which was established at the Secretary-General's initiative, recommended the mobilization of $72 billion annually at the international level to ensure that Africa could achieve the MDGs by 2015. That recommendation is still valid. Implementing it will no doubt require strengthening our bold efforts in the area of financing for development.

In that connection, I should first like to refer to the implementation of commitments in the area of assistance, including the 30-year goal set for rich countries to devote 0.7 per cent of their gross national income to development and the decision taken by the Group of Eight at the Gleneagles Summit in 2007 to double assistance to Africa by 2010. Cameroon

therefore calls for heightened international solidarity centred on the goal of increasing international official development assistance and strengthening debt alleviation initiatives.

It would nevertheless be self-deceiving to think that the problem of financing for development can be confined to the amount of assistance provided. The problem also entails the question of the quality of aid — in other words, the effective implementation of the Accra and Paris Principles on Aid Effectiveness. I believe it important to emphasize the need for aid management to be based on results and on the principles of predictability, coherence, non-conditionality and the national priorities of African countries. In addition, we should adopt an innovative sector-based approach to the distribution of resources with a view to finding the right balance between the social and productive sectors. We must not lose sight of the fact that truly combating poverty includes financing the productive sector in order to ensure lasting development.

Efforts to mobilize resources for development cannot overlook the need to put in place a fairer trading system. It is therefore urgent for the Doha Round to break its current impasse so as to build a multilateral trade architecture based on development. Along the same lines, we must speed up the establishment of a new global economic governance system in order to better involve developing countries in decision-making bodies and processes at the international level.

We also cannot consider the issue of financing for development without improving the conditions conducive to encouraging the flow of capital towards Africa, in particular through the astute channelling of capital towards investment in the productive sector.

Cameroon remains aware of the fact that each State is primarily responsible for the well-being of its people. Among other things, that entails the adoption of appropriate policies and programmes. To that end, my country has taken a series of steps that include the development of a strategy paper on growth and employment, with particular emphasis on developing the productive, structural and educational sectors to promote vigorous and sustained growth, without which we cannot lastingly improve the living conditions of our people.

We have also adopted a long-term development perspective through 2035, the goal of which is to make Cameroon an emerging economy. We are also in the process of carrying out a national governance programme that covers the period 2006 to 2011 and focuses on improving State effectiveness, increasing transparency in the management of public resources, resolutely combating corruption, and increasing popular participation in the management of public affairs at the local level by decentralizing governance.

We have also put in place a new national financial regime based on results-based management, developed and implemented stimulus financial reforms, and taken steps to improve the business environment with a view to fostering greater domestic savings and attracting more foreign direct investment.

We have carried out a large-scale study of the factors that hinder our capacity to absorb foreign aid. We have signed a phased agreement in the context of economic partnerships with the European Union, thereby signalling the commitment of Cameroon to continuing to adapt to the international rules of the World Trade Organization. Lastly, we have effectively structured our domestic and foreign debt in line with the terms and conditions agreed in the context of the debt relief mechanisms of bilateral and multilateral donors.

All those measures to improve economic growth and reduce poverty require significant financial resources that are well beyond our own national capacity to provide, especially with respect to the major industrial, energy, port, road and agricultural sectors. Moreover, it should be pointed out that most of those projects entail subregional efforts, as Cameroon is the entry point for several Central African States that lack a maritime border. This means that the international community's financial support for all those projects will have a beneficial multiplier effect on the subregion. It should be emphasized once again that many of the countries of our subregion have undergone long-term conflicts, as reflected in the ongoing insecurity, instability, poverty and, in a word, destitution, that they continue to experience.

I conclude by expressing the hope that this High-level Dialogue on Financing for Development will not be just another forum for expressing good intentions that are repeatedly affirmed but very seldom realized. We hope that the outcome of this meeting will result in the taking of concrete steps that will bolster the practical outcomes of the high-level event on the Millennium Development Goals scheduled for

September, in which many heads of State and Government will participate.

The Acting President (*spoke in French*): I now give the floor to the representative of Switzerland.

Mrs. Grau (Switzerland) (*spoke in French*): Switzerland reaffirms its commitment to the spirit of the Monterrey Consensus. The United Nations has a valuable contribution to make to intergovernmental discussions on international macroeconomic issues, in particular on financing for development. It is crucial that we strengthen the role of the United Nations, while taking into consideration the very useful contributions of specialized agencies such as the Bretton Woods institutions and the Financial Stability Board. With regard to the General Assembly's special responsibility in that regard, we regret that there were difficulties in the preparations for this High-level Dialogue, including last minute-changes in the programme.

Only the United Nations can bring together all stakeholders in an inclusive way. It can play an essential role in monitoring the international financial system, evaluating its functioning and making recommendations at the national and international levels. An ad hoc group of independent experts working pragmatically on systemic risks could provide support for our decision-makers. The added value of the United Nations as a universal platform also justifies more resolute involvement of the Group of 20 (G-20) with the Members of the Organization. Switzerland supports the approach set out in the paper entitled "Strengthening the framework for G-20 engagement of non-members", which was recently submitted to the Secretary-General on behalf of the Global Governance Group.

Switzerland attaches great importance to mutual accountability. On the one hand, donor countries should ensure predictable and transparent financing in accordance with the national development strategies of partner countries. On the other hand, developing countries have a responsibility to establish sound development policies based on good governance and to respond to the needs and aspirations of their own peoples. The principle of mutual accountability should also apply to the relationship between the State and the private sector. Good governance and respect for the rule of law are crucial to foreign direct investment and the emergence of a vibrant private sector.

Integrating principles of corporate social responsibility goes hand in hand with the implementation of stricter norms on accountability and transparency at the national level. Respect for those principles fosters economic development, including through a positive contribution by the private sector. The Global Compact, which Switzerland has supported from the outset, is the most visible example of that. We hope that the Compact will take a more proactive approach to the private sector and submit proposals to promote sustainable development.

The Monterrey Consensus emphasizes the need to mobilize domestic financial resources in pursuit of economic growth, sustainable development and the eradication of poverty. As a strong supporter of the principle of subsidiarity, especially in the area of fiscal decentralization and local economic development, Switzerland extends technical assistance to its partner countries and intends to continue to do so.

The economic and financial crisis has heightened social and environmental challenges and made development issues more complex. Global partnership is at the heart of the Monterrey Consensus and the Doha Declaration. That partnership is more necessary than ever today if we wish to achieve the Millennium Development Goals.

The Acting President (*spoke in French*): I now give the floor to the representative of Algeria.

Mr. Moktefi (Algeria) (*spoke in French*): My delegation associates itself with the statements made by the representative of Yemen on behalf of the Group of 77 and China and by the representative of Equatorial Guinea on behalf of the African Group. I would like to take this opportunity to make some additional comments.

Algeria attaches particular importance to the High-level Dialogue on Financing for Development, given its undeniable contribution to consolidating and implementing the commitments made at the Monterrey and Doha Conferences. This round of the High-level Dialogue is taking place in an international context that is being wholly transformed by the manifold effects of various crises.

The Monterrey Consensus and the outcomes of the Doha Conference provide the ideal framework for taking the steps necessary to ensure financing for development. They also have significant value in

achieving internationally agreed development goals, including the Millennium Development Goals. The Consensus on financing for development is also a pillar of the international partnership for development and remains the basis for encouraging inclusive growth.

We believe that an analysis of the implementation of the commitments undertaken at Doha and Monterrey reveals that we are far from having honoured those made to financing for development. The main progress made in some areas has been achieved thanks in particular to national efforts, while the implementation of many of the international commitments has been marked by lethargy.

The reform of international financial governance is incomplete. There is therefore a need for sustained efforts to restructure it with a view to ensuring stable financing for development.

The current financial crisis has shown that developing countries are the most vulnerable to the effects of monetary and financial crises. The international financial institutions should focus on creating impartial and more effective multilateral monitoring mechanisms in order to ensure the stability of the global economy and promote robust and lasting growth for all Member States. In that regard, it is important to ensure more equitable representation in international financial institutions. Likewise, the measures contemplated in the context of the International Monetary Fund and the World Bank should be viewed as first steps towards deeper reform.

We are convinced that the primary responsibility for mobilizing and channelling national resources for productive investment falls to developing countries. In that regard, Algeria is making ongoing efforts to guarantee resources for development and is well under way to achieving the Millennium Development Goals. Nevertheless, mobilizing national resources for the development of productive capacity is closely linked to the international macroeconomic environment.

Developed countries should honour their commitments in the area of official development assistance, which continues to be crucial to the poorest countries, especially in Africa. The decrease in official development assistance has diminished the chances that beneficiary countries will achieve the Millennium Development Goals within the established time frame.

In spite of the improvement in the foreign debt situation of various developing countries, the economies of a large number of countries continue to bear the additional costs of that debt and their impact on development. External financing and debt relief measures should not be subject to conditions that can affect development capacity.

International trade should play its role as an engine for development by strengthening the links between trade, development and financing. To that end, multilateral trade negotiations should reaffirm the commitments that have been made in order to ensure that the Round is focused on development.

Lastly, we encourage heightened interaction among the United Nations, the international financial institutions, the World Trade Organization and participating countries, so as to contribute to international efforts in the area of financing for development.

The Acting President (*spoke in French*): I now give the floor to the representative of the Republic of Korea.

Mr. Park In-kook (Republic of Korea): This year's High-level Dialogue on Financing for Development has special significance in the sense that it heralds the upcoming summit-level meeting to be held in September on the Millennium Development Goals (MDGs). In that regard, we feel that the discussion during the High-level Dialogue needs to focus more on, and has to be linked to, the implementation of the MDGs while building momentum favourable to the September summit.

We have learned from our own development history that the sustainability of development financing can be strengthened when domestic resource mobilization plays a crucial role. In that connection, we would like again to highlight the importance of the primary role that each Government plays in leading its own development efforts and in mobilizing domestic resources to that end, even during an economic downturn.

However, the efforts of developing countries should be strengthened by unfaltering outside support. While official development assistance (ODA) increased from $53 billion in 2000 to $119 billion dollars in 2008, it is still not enough to bridge the gap in achieving the MDGs. Against that backdrop, Korea

has announced an increase in the volume of its ODA, which is to reach $3.2 billion by 2015. We are already implementing our promise, notwithstanding the global financial crisis. Our dedication to aid effectiveness is equally strong. We would like to announce that the Republic of Korea will host the Fourth High-level Forum on Aid Effectiveness in Seoul in 2011.

We believe that international development cooperation should not be confined to the traditional approach. We should look to the potential of innovative sources of financing, especially during this economic downturn. It is encouraging that innovative sources of financing have become more diversified and successful, such as in the area of voluntary solidarity contributions, as confirmed by the launch of MASSIVEGOOD initiative two weeks ago. We also welcome and look forward to an informal meeting as mandated by resolution 64/193.

Since September 2007, the Republic of Korea has also raised $14 million annually through its air-ticket solidarity levy. Those funds have been used to fight HIV/AIDS, tuberculosis, malaria and other infectious diseases in sub-Saharan Africa, mainly through the International Drug Purchase Facility.

In addition to innovative financing, we are looking for ways to engage more actors in this process, such as the private business sector, civil society and non-governmental and philanthropic organizations. In that regard, we have to fully utilize the 2010 Global Compact Leaders Summit, which will be a crucial opportunity to engage world business leaders, expand the role of the private sector and strengthen public-private partnerships for development cooperation.

As we have proven in our development history, the role of international trade as an engine for growth is significant. While world leaders try to build momentum towards the successful completion of the Doha Round, it is our hope to see the successful conclusion of the Round's negotiations before the end of the year to provide improved market access and fairer rules.

Furthermore, we would like to underscore the need to further boost Aid for Trade and devise adequate national strategies to strengthen the export competitiveness of developing countries. For our part, we are not only implementing duty-free and quota-free access to all least developed countries, BUT we are also assisting by increasing Aid for Trade measures as well as other trade-related technical cooperation.

This year, we will have two summits OF THE Group of 20 (G-20), one in Canada in June and the other in the Republic of Korea in November. The Republic of Korea is a unique country in that it has first-hand experience with overcoming extreme poverty within its living memory and has since transformed into a donor country. We have also experienced the devastating impacts of a financial crisis twice and understand the effort necessary to secure a robust recovery. Based on our experiences and unique status, Korea, as the host country for the November G-20 summit, as well as the co-host of the June G-20 summit, will do its best to draw more attention to actions favourable to developing countries. We will remain vigilant on the importance of anti-protectionism and place development issues on the agenda of the G-20 summit. My Government is also looking forward to closely consulting with non-G-20 members through the United Nations and other regional bodies.

The Acting President (*speaking in French*): I now give the floor to the representative of Indonesia.

Mrs. Wahab (Indonesia): I should like to thank the President of the General Assembly for convening this meeting. In discussing this issue, Indonesia associates itself with the statement made by the Permanent Representative of Yemen on behalf of the G-77 and China.

Our meeting is taking place at a time when the global economy is slowly recovering from the contagions of the recent financial crisis. This crisis interrupted the clear progress being made in implementing the Monterrey Consensus.

To facilitate their economic growth, developing countries had instituted macroeconomic policy changes and necessary reforms that created business-friendly conditions domestically. In Indonesia, our efforts to create an enabling environment included the implementation of the Jakarta Commitment, which endorses the principle of aid development effectiveness as outlined in the Paris Declaration on Aid Effectiveness.

Developing countries benefited as well from significant debt relief and cancellation and from increased official development assistance (ODA) and foreign direct investment flows. In addition, funds

generated by innovative development financing mechanisms and substantial migrant remittances were injected into their economies. Rapid growth in South-South trade aided their progress, although they remained without the gains that the conclusions of the World Trade Organization Doha Development Round would provide.

In 2008, the tide turned. The financial crisis took a serious toll on financial resources being mobilized for development. It placed most developed economies in a tailspin, reducing demand for their exports and the availability of ODA and foreign direct investment, and shifting their focus away from debt relief. Corporate investors shied away from developing countries, to which there was at one point a 50 per cent reduction in net private capital flows.

Because the financial crisis came about as a result of the unregulated activities of major financial markets, strengthening the regulation, supervision and monitoring of the financial sector has become central. We must work to ensure greater transparency and integrity, and to reduce excessive risk-taking in the financial markets.

It is also important to strengthen and update the international financial system and architecture for global economic cooperation. In fact, we need to ensure the existence and operation of effective and accountable institutions, systems and processes at all levels. The new mode of operation should give dynamic emerging markets and developing economies a greater role in the policy and decision-making processes of multilateral financial institutions.

Central to strengthening the international financial system and architecture is the role that must be played by the United Nations. The United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development established an overarching framework positioning the United Nations to play its role. Along this line, Indonesia looks forward to the outcome of the General Assembly's Ad Hoc Open-ended Working Group on the financial crisis, but we are equally concerned about the slow progress of the work being done at the United Nations.

Along with these steps, there will be a need for adequate development finance beyond the crisis. The initiative of the Group of 20 to give the International Monetary Fund the responsibility to disburse $750 billion in regular resources is an important first step. Developed countries must also encourage the flow of foreign direct investment to developing countries in areas such as food security and infrastructure, while expanding their access to renewable energy.

Innovative financing for development should be encouraged, as it complements ODA. These novel mechanisms now incorporate such diverse forms as thematic global trust funds and distribution systems for global environmental services. Indonesia has in fact benefited from such innovative financing mechanisms as Debt2Health, as mentioned by the Permanent Representative of Australia, and debt-for-nature swaps with the United States of America.

For the benefit of all countries, international trade must be made free, fair and rules-based. This must be supported with access to trade financing for developing countries.

Climate change also poses a threat to the entire global development process. Developing countries should be assisted with the costs of mitigation and adaptation strategies to blunt and correct the effects of climate change. We must also use the current crisis to pursue a green economic development model.

In closing, Indonesia must stress the fact that we, the global community of nations, have to continue to cooperate and coordinate our policies and strategies if we are to overcome these various challenges. There is no disputing the claim that global problems require global solutions. We are living out that reality right now, and we must not fail to rise to the challenge. Far too much is at stake.

The Acting President (*speaking in French*): I now give the floor to the representative of the Libyan Arab Jamahiriya.

Mr. Alahraf (Libyan Arab Jamahiriya) (*spoke in Arabic*): I would like to thank the President for convening this meeting, which we trust will give new life and momentum to financing for development. Allow me also to associate myself with the statements made on behalf of the Group of 77 and China by the representative of Yemen and by the representative of Equatorial Guinea on behalf of the Group of African States.

The Monterrey International Conference on Financing for Development was a milestone in international cooperation for development where donor

and receiver countries met as partners. The Doha Declaration also contributed to strengthening this partnership and emphasized that the implementation of the Millennium Development Goals (MDGs) depended primarily on the substance, credibility and vitality of this partnership and on respect for such commitments as eliminating poverty, achieving economic growth and promoting sustainable development.

The mobilization of internal resources would appear difficult in light of the current financial crisis and its severe effects on developing countries, given the drop in commodity prices and remittances, as well as the vulnerability of developing countries due to capital flight and the deposit of such monies in foreign banks. This threatens both democracy and social values in developing countries and makes it difficult for them to invest in development programmes. It is therefore unacceptable to have safe havens that provide protection for smuggled money. In this context, we stress the importance of the initiative launched by the United Nations Office on Drugs and Crime and the World Bank, establishing an international partnership that will help deny safe haven for corruption money.

It is urgent that we mobilize domestic resources in order to finance and encourage productive investment, strengthen macroeconomic policy reform, increase the ability of the public sector to generate revenue, update tax legislation, develop and diversify financial institutions, and activate the role of national development institutions.

In regard to mobilizing international resources for development, we fear that, in spite of the many promises made by donors, the financial crisis will reduce the flow of such resources to developing countries, hindering development in those countries. It is clear that financial flows to developing countries, though they have expanded, go to those that export raw materials or investments in services that fall short of the requirements of the MDGs. An environment favourable to direct foreign investment in developing countries requires institutional and human capacity-building and facilitated access to technology and training so that their basic structures can be adapted to multiple investment activities. Foreign investors' preference for the extractive industries must be in keeping with the priority of achieving the MDGs, while maintaining investment in productive sectors and transfer industries and improving basic services.

The benefits of and opportunities for trade are not available to all. Many developing countries have a low share of international trade due to the dependence of some on a single commodity or on a few that are subject to price fluctuations and to financial crises. These countries may also be unable to compete because of the protectionist policies of rich countries. It is therefore important to enable them to develop their human resources, diversify their productive sectors and build modern systems and infrastructure that would provide them with a competitive edge in the areas of production and export. We hope that the impasse that arose in Doha will be overcome and that a new attitude and resolve will support development goals.

According to the Secretary-General's reports, official development assistance levels remain low and continue to decline, despite some debt forgiveness and humanitarian assistance that have amounted to some 30 per cent of official aid in the past few years. It is incumbent on donor countries to respect their commitments and to reduce their conditions in this regard.

With regard to external debt, in spite of the positive results that have been seen in poor and heavily indebted countries, it is essential that we cooperate further in order to arrive at comprehensive sustainable solutions to the problem of indebtedness, which poses an obstacle to developing and least developed countries. It is important that lenders and indebted countries share responsibilities and address the problem of foreign debt.

The current financial crisis has no specific national characteristics and has demonstrated the need to reform our international financial architecture in order to remedy these imbalances. Developing countries should participate more in decision-making policies and bodies, particularly the Bretton Woods institutions.

Here, I should stress the importance of implementing the political declaration on Africa's development needs (resolution 63/1) and the Secretary-General's guidelines, which stress that Africa needs $72 billion a year to implement its development programmes. In this context, we emphasize the importance of the African Union's development plans and programmes, and call for such efforts to be strengthened, which would undoubtedly contribute to economic integration among African countries.

We are committed to participating in financing productive sectors on the African continent. In that regard, our President, Muammar Al-Qadhafi, has adopted an initiative to ensure food security and to contain the hunger crisis. The initiative is based on self-sufficiency and the use of mechanization and modern technology to reclaim land and to cultivate vast areas for agriculture. It also proposes a mother-and-child health project that will help to eliminate disease, poverty and illiteracy. We stress the importance of supporting this initiative so that its ambitious goals can be achieved quickly.

Libya, in cooperation with Nigeria and Cuba, supports and finances a South-South medical programme that offers medical services to many African citizens. Libya has also taken the initiative of establishing and funding financial institutions in the Sahel countries in order to strengthen productivity and services there and in sub-Saharan Africa. We also encourage Libyan investors to increase their work in those countries.

In conclusion, we hope that this Dialogue will stimulate international momentum and new growth in development for which all countries will shoulder responsibility so that all can enjoy prosperity, peace and stability.

The Acting President (*spoke in French*): I now give the floor to the representative of Viet Nam.

Mr. Bui The Giang (Viet Nam): As we gather here to review the status of the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development, it is now vital, given the positive yet limited achievements made in this area, to enlist greater international efforts to meet the challenges, particularly those caused by the recent global economic and financial crisis, whose impacts are still strongly felt everywhere, and to ensure the achievement of the internationally agreed development goals, including the Millennium Development Goals (MDGs).

Mobilizing more domestic and international resources to promote the development of the developing world must be at the top of the international community's development agenda. Official development assistance (ODA) and foreign direct investment are pivotal resources for making progress on the MDGs and securing development growth towards 2015 and beyond. Developed countries, therefore, should redouble their efforts to honour their commitment to development by increasing their ODA contribution to 0.7 per cent of their gross national income. Economic environment and capacity-building should also be improved so that developing countries can attract and facilitate foreign direct investment and private capital flows in general. This could, in turn, help developing countries to develop their technology, industry, infrastructure and productive capacity.

In the developing countries themselves, apart from appropriate strategies, national priorities and concrete action plans aimed at maximizing the benefits and minimizing the risks of foreign investment, effective mechanisms for disbursement, monitoring and evaluation should be established and enforced through increased country ownership, operation and close coordination with donors and the private sector. At the same time, the United Nations and the Bretton Woods institutions must set up the necessary mechanisms to closely examine systemic concepts and map out an inclusive and time-bound process with a view to improving global economic, financial and monetary governance structures and increasing accountability, equity and transparency.

Promoting trade as an engine for development requires improving the international environment, particularly in the context of the recent collapse in world trade. Developing countries should be helped to effectively overcome stumbling blocks in the areas of market access, trade financing, pricing and tariffs. There is a pressing need to remove all forms of trade protectionism and anti-competitive practices that work to the disadvantage of developing countries. A fairer and more equitable multilateral trading system must be built. The conclusion of the Doha Development Round, based on flexibility and constructive engagement, is therefore more urgent than ever before.

The global economic and financial crisis has left deep marks on the Vietnamese economy. Last year, foreign direct investment inflows were a meagre $21.5 billion, 70 per cent down year-on-year; exports were only $56.6 billion, 9.7 per cent down year-on-year; and imports were only $68.8 billion, 14.7 per cent down year-on-year. Since Viet Nam's economy is a highly open one, these factors led to an unemployment rate of 2.9 per cent, an increase from 2.38 per cent the year before. The overall situation was worsened by frequent destructive natural disasters and the outbreak of H1N1 and H5N1.

Against such a backdrop, we managed to achieve an economic growth rate of 5.32 per cent, an all-time record high production of 38.9 million tons of rice, and a six-year record low consumer price index of 6.88 per cent. The national poverty rate went down to 12.3 per cent from 13.4 per cent in 2008.

These hard-earned achievements were possible thanks to aggregate efforts. On our part, we have tried our utmost to improve the country's business and investment climate, foster quality exports and expand domestic markets, while sharpening the efficiency of State governance; enhancing investment in human resources, science, technology and infrastructure; and ensuring environmental protection, thus ably maintaining macroeconomic stability and a healthy financial system.

Equally important, we have benefited from both the experience and the expertise of international institutions and other countries in dealing with the crisis, as well as the financial support and assistance of the international community in fulfilling our development goals. In this connection, while appreciative of such assistance, we welcome this High-level Dialogue on Financing for Development and consider this an invaluable opportunity to galvanize efforts to find ways and means to address the common issues faced by developing countries related to financing for development. In this spirit, we pledge to work together with other Member States towards a successful conclusion of this Dialogue, making particular contributions to the preparations for the MDG summit in September.

The Acting President (*spoke in French*): I now give the floor to the representative of Peru.

Mr. Gutiérrez (Peru) (*spoke in Spanish*): My delegation aligns itself with the statements made by the representative of Chile on behalf of the Rio Group and by the representative of Yemen on behalf of the G-77 and China.

On previous occasions here at the United Nations, we have emphasized the need for a comprehensive approach to the issue of financing for development in order to maintain the interrelationship between its various elements. Along these lines, we welcome the approach used at this meeting to organize our work in accordance with the themes of the chapters of the Monterrey Consensus.

The current financial and economic crisis is without doubt affecting the economic and social prospects of developing countries, including those which, like Peru, have in recent years made considerable progress in managing fundamental aspects of macroeconomy. In spite of the international scope of the crisis, Peru's economic activity grew by 1.1 per cent in 2009, and growth of 5 per cent is projected for 2010. These are the results of the fiscal discipline, development and investment promotion policies we have enforced. Similarly, Peru has made major strides in recent years towards achieving the Millennium Development Goals (MDGs), as reflected in the most recent report of the United Nations Development Programme. That document confirms, inter alia, that levels of poverty in Peru decreased from 54 per cent in 1991 to 36 per cent in 2008, while extreme poverty fell from 23 to 12.6 per cent in the same period. Thus, the goal of cutting by half the percentage of people whose income levels are below the poverty line is on its way to being met by Peru.

In the area of education, the goal of universal primary education has almost been met and, in the area of health, the mortality of children under five fell 68 per cent between 2004 and 2008. This means that we have reached that goal eight years before the deadline. These achievements are the result of measures to sustain production and employment, an increase in social spending, and greater investment of the Peruvian State at the national, regional and municipal levels.

Nonetheless, the mobilization of domestic resources in each country also needs a healthy international economic environment that contributes to obtaining positive results from these policies. In that context, I should highlight the importance of international trade as a promoter of development for countries which, like my own, are in the process of extending and diversifying their external markets.

I therefore stress once again the need to avoid all protectionist tendencies and to advance towards the rapid conclusion of the Doha Development Round. Financial and technical cooperation is also necessary at the international level for development to mobilize resources for micro-, small and medium-sized enterprises, which are becoming increasingly integrated into the production and export chains and are thus an effective mechanism to fight poverty. In the same vein, we must strengthen financial cooperation

for research, innovation and technology and strengthen human resource capacities.

The crisis has created difficulties in mobilizing resources for world initiatives to fight climate change. Peru is one of the countries most vulnerable to climate change, while our responsibility for greenhouse gas emissions is less than 0.5 per cent. The resources that my country is compelled to devote to adaptation and mitigation entail a reduction in our ability to respond to other needs of our population, and thus to achieve the Millennium Development Goals, including the fight against poverty.

The worrisome environmental degradation that we are experiencing makes it essential for our adaptation to climate change to become an important element in international decisions on financing for development.

There are many pending challenges. This fourth High-level Dialogue on Financing for Development and the deliberations will take place in this forum will surely be a good opportunity to advance our work with the required sense of urgency. The conclusions we reach here will certainly constitute important contributions towards the dialogue on the Millennium Development Goals to take place at the opening of the next session of the General Assembly here in New York.

The Acting President (*speaking in French*): I now give the floor to the representative of the Islamic Republic of Iran.

Mr. Al Habib (Islamic Republic of Iran): At the outset, we align ourselves with the statement made by the representative of Yemen on behalf of the Group of 77 and China.

The role of national policies, domestic resources and national development strategies cannot be overemphasized. However, the eradication of poverty, securing sustainable food security, achieving sustained economic growth and promoting sustainable development can be realized only in the context of a fully inclusive and equitable global economic system in which national development efforts are supported and complemented by a conducive and enabling international economic environment.

Nevertheless, in our understanding, global partnership goes beyond a mere donor-recipient relationship. Actually, the experience of recent years has clearly revealed the excessive vulnerability of developing countries to external shocks, as well as the fragility of the international economic and financial system. The challenges to developing countries therefore cannot be overcome simply by official development assistance (ODA) or humanitarian assistance. Unless there is a real change at the systemic level towards the creation of an open, transparent, non-discriminatory and rule-based economic order, regardless of what developing countries do at home they will always remain vulnerable to external shocks.

The global commitment to creating a world free from want clearly should extend beyond 2015. Realizing the internationally agreed development goals, particularly those related to poverty and hunger, would mark a great achievement for humankind. Nevertheless, even such a significant accomplishment should leave little room for complacency. Let us remember that, in the best-case scenario, the number of poor living in abject poverty would only be reduced by half. The global commitment should therefore remain firm and our decisiveness unwavering.

We have heard from those who are dealing with people on the ground. Time and again they say that they know exactly what will work and what will not, and what is needed to achieve the goals. Ample evidence of good practices has kept us optimistic about meeting the goals by their deadlines. The Millennium Development Goals (MDGs) are relevant and meeting them remains feasible through adequate commitment and resources and appropriate policies and efforts.

Poverty is truly the main adversary of development and its eradication is the gateway to achieving the other development goals. It is disappointing to note, however, that in the absence of a fair international economic system and a substantive increase in international assistance, it is most likely that, despite all its optimism, the global community will probably miss its target of halving the number of the poor by 2015.

Many developing countries are confronting multiple interrelated global crises, in addition to the consequences of the economic and financial crisis. As a matter of fact, the more those countries become exposed, the more they suffer. While this fact highlights yet again the importance of the meaningful role of the State in supporting development and the importance of an enabling external environment, it also

reveals the bitter truth that an enabling environment is far from being realized.

It should surprise no one that $2 trillion were raised within two weeks on both sides of the Atlantic Ocean to rescue the financial players whose errors brought the world economy to the edge of complete collapse. But less than one year after $20 billion were pledged to fight hunger at the L'Aquila summit, barely a fraction of those funds have been put towards that goal. It is alarming that the number of people suffering from hunger now exceeds 1 billion. The dignity of one-sixth of the world's population hangs in the balance. In fact, the overall amount of ODA allocated to agriculture during the past 20 years has continued to decrease from 18 per cent to 5 per cent, and prolonged underinvestment in the agricultural sector has affected the efforts of many poor developing countries to achieve sustainable food security.

The estimate that the world population will exceed 9 billion in 2050 and that agricultural output will need to increase by 70 per cent between now and then makes it more even important to address these persistent challenges by providing increased access to finances, technology, know-how, access and international support. Otherwise, a world free from hunger will exist only on paper.

On the issue of innovative resources, we recognize their importance and are of the view that they can be used to supplement financing for development needs and to fight poverty and hunger. We also take note of the progress achieved in this regard so far. However, it is our understanding that much more remains to be done in that regard. It should be further highlighted that such resources should remain complementary to and not replace traditional sources of financing for development. Raising such voluntary resources, meanwhile, should not put an additional burden on other developing countries.

The Acting President (*spoke in French*): I give the floor to the representative of Jordan.

Mr. Shawabkah (Jordan): At the outset, I wish to express my gratitude to the Secretary-General and the President of the General Assembly for their resolute commitment to financing for development for the world's poor, an issue to which Jordan attaches special priority. Also, my delegation aligns itself with the statement delivered by the representative of Yemen on behalf of the Group of 77 and China.

The internationally agreed development goals, including the Millennium Development Goals (MDGs), the Monterrey Consensus, the Doha Declaration and the outcomes of the Conference on the World Financial and Economic Crisis and Its Impact on Development have galvanized actions around the great challenge of promoting human development on behalf of the poor, who make up half of the world's people.

Over the next two days and in all future multilateral discussions, Jordan will be committed to exchanging views on the progress made in delivering on our promises. We understand that multilateralism serves as the only way forward in addressing the issue of development and ensuring effective action. The international community must tackle the root causes of the global financial and economic crisis that has severely impacted developing countries. The crisis has thus

> "pushed macrofinancial and macroprudential issues and advance country risks onto centre stage". (*E/2010/11, para. 48*)

Jordan emphasizes the urgency of reforming the international monetary and financial system, as the impact of the crisis has damaged the flow of international trade, foreign direct investment and external debt servicing. Exercising caution, along with implementation of the reform programmes and policies we have adopted in Jordan, has contributed to alleviating the impact of the global financial crisis on the national economy and to promoting financial and monetary stability.

Sustainable development rests upon open market access, supplies and capacity, resource management, the transfer of technology and diversification. The economic reforms that Jordan has implemented are conducive to the promotion and maintenance of sustainable development and reflect the pragmatic approach necessary for the State to become an active partner in our increasingly linked, globalized world economy.

Foreign trade policy and Jordan's integration into the global trade system and the world economy have stimulated growth and increased opportunities. We have enacted legislation to promote foreign investment and foster a favourable and mutually beneficial investment climate for investors from all over the world. In addition to the financing of small projects to combat unemployment and poverty, Jordan is also

committed to implementing new projects designed to comprehensively address education, small-scale farmers, desertification, public health and job creation.

Not only should we allocate international and domestic financial resources to development, but we should also consider innovative sources of financing for development, the transfer of technology and climate change mitigation and adaptation measures. Jordan reiterates the need for donor countries to fulfil their commitment to allocate 0.7 per cent of their gross national income to assistance for the developing world.

Unfortunately, developing countries have been crippled by the unbalanced, inequitable and insecure international monetary and financial environment. They are faced with the burdens of investing significant resources in debt servicing, hindering their ability to meet the MDGs. International trade serves as the essential mechanism for eradicating poverty and offering sustainable growth to poorer countries. Furthermore, massive agricultural subsidies have an immediate impact on developing countries.

The internationally agreed outcomes of all the conferences that have addressed financing for the development of the world's poorer countries — from the 2002 International Conference on Financing for Development held in Monterrey, Mexico, to the 2009 Conference on the World Financial and Economic Crisis and Its Impact on Development at United Nations Headquarters — enshrined the need for a vigorous mechanism to create partnerships between multilateral financial institutions and the United Nations.

As indicated in the Monterrey Consensus, financing for development can be tackled holistically within multiple frameworks and with multiple resources — governmental, public, private, domestic and external.

Jordan commends the decision of the General Assembly to convene a high-level plenary meeting at the commencement of its sixty-fifth session, five years before the deadline for the achievement of the Millennium Development Goals. Occurring at a time of tremendous instability in a global economy weakened by the financial crisis, that critical event will serve as an opportunity to further assess the status of implementation and the tasks ahead, to identify impediments to progress, and to develop new ideas that will ensure progress towards the MDGs. Despite the slow progress towards these goals, Jordan is hopeful that they will remain achievable if the correct policies are implemented with sufficient resources.

Finally, with global poverty so prevalent and global suffering so severe, we have made both moral and strategic commitments to addressing the financing for the development of the world's poor and vulnerable countries. In the spirit of the fourth High-Level Dialogue on Financing for Development, Jordan ambitiously reiterates its determination to work multilaterally to ensure the effective achievement of these goals.

The Acting President (*speaking in French*): I now give the floor to the representative of Brazil.

Mr. Patriota (Brazil): Brazil fully subscribes to the statements made by the representative of Yemen on behalf of the Group of 77 and China and by the representative of Chile on behalf of the Rio Group.

The fourth High-level Dialogue on Financing for Development presents us with an opportunity to evaluate the state of implementation of the Monterrey Consensus and the Doha Declaration. Our assessments will add to the preparations for the high-level plenary meeting of the General Assembly on the Millennium Development Goals (MDGs) next September. They should also take into account the recently concluded dialogue between the Economic and Social Council and the Bretton Woods institutions, held under a revised format. The quality presentations and in-depth discussions that took place during that segment led to very useful debates on the world financial architecture, development cooperation and the challenges we face in meeting many of the goals that we have set for ourselves within the Monterrey and Doha processes.

The Monterrey Consensus and the Doha Declaration on Financing for Development provide a comprehensive framework for tackling many of the important issues facing us today in the context of the international economic and financial crisis and of our common efforts within the United Nations system to promote an effective development cooperation agenda.

We must seize the moment, how that much of the established wisdom on international development has become the subject of extensive reconsideration, and we must strive to establish a new consensus on the road ahead. This will require mainstreaming into the United Nations discussions and framework many of the

new ideas and reassessed views that have been produced as a consequence of the financial turmoil of 2008 and 2009.

We must capture in our deliberations the new emerging common wisdom, which has made structural readjustment policies a thing of the past and has rediscovered the value of policy space, not only for highly developed economies and markets in distress, but also for the smallest and least developed of States and societies.

We must work together in the United Nations towards a common view of development cooperation that does not get bogged down by rigid conceptions, such as the aid effectiveness agenda of the Organization for Economic Cooperation and Development (OECD) and its one-sided view of development. We need a concept that makes room for South-South and triangular cooperation and is guided by the objectives of local empowerment, capacity-building, industrial development and employment generation. We need a development framework benchmarked by measurable outcomes, not by a prescriptive listing of inputs and preconceived one-size-fits-all policies.

In order to prepare for a substantive and productive financing for development follow-up conference in 2013, we should engage in a comprehensive assessment of the international financial and economic system and work towards a reinvigorated consensus-based United Nations framework for cooperation. We should spend some time on the ways and means of mobilizing financial resources for development, including innovative mechanisms.

Monterrey and Doha sought to address the challenges of financing for development with a view to promoting an inclusive and equitable economic system. Both instruments highlight the objective of poverty and hunger eradication in developing countries, considered to be the critical "number one" development goals. Unfortunately, as recognized by the Secretary-General in his report on the MDGs, entitled "Keeping the promise" (A/64/665), the lack of delivery on global partnership commitments by developed countries has hampered progress where it has been needed the most. Other goals in the area of health, education and even gender will not be met if the fundamental objective of poverty and hunger eradication is not addressed with sufficient political and financial commitments on the part of the international community.

This is the essence of the message that President Lula of Brazil has been trying to convey ever since taking office in 2003, when he launched an international call for the United Nations and all other relevant actors to engage in the fight against hunger and poverty. We need to refocus on this critical agenda.

There are technical solutions to overcome implementation gaps towards the achievement of the MDGs, and the United Nations needs to build on the success stories, many of them to be found within the developing countries themselves. We should also learn from policies that have failed in the past, many of which are associated with donor-controlled institutions unfamiliar with circumstances on the ground and often insensitive to the priorities and needs of the developing countries they seek to help.

Official development assistance (ODA) remains an important element of national development strategies, particularly for the least developed countries (LDCs). Despite an overall increase in ODA levels for 2008, OECD estimates indicate that countries associated with the Development Assistance Committee will fall short by $21 billion in respect of their 2010 Gleneagles commitments. As a group, developed countries are still far from achieving the goal of mobilizing 0.7 per cent of their gross national income for ODA.

Trade is a key concern. Brazil is fully committed to an ambitious and balanced outcome of the World Trade Organization (WTO) Doha Round, which places development at its core and provides the means for developing countries, LDCs in particular, to work their way out of poverty and hunger through trade. We have been saying this repeatedly, and we are ready to play our part towards the achievement of this goal. The elimination of agricultural export subsidies and a substantial reduction in the domestic support measures of developed countries, in conjunction with enhanced market access, would be the single most important contribution that developed countries could make to promoting self-sustained, long-term development in the most socially depressed areas of the world.

The continued volatility and unbalanced distribution of private international flows to developing countries also pose important challenges. We must reaffirm our commitment to urgently putting in place

transparent, appropriate and effective regulations to avoid volatility and to promoting predictable flows. We further stress the importance of continuing to lower the cost of remittances. In some developing countries, capital controls may eventually be warranted in order to avoid undue exposure to exchange rate fluctuations and excessive asset valuation.

Member States should remain vigilant in order to avoid a new debt crisis from arising in the developing world. As recent events demonstrate, even developed countries are not immune to debt overhang. It is clear that we need a comprehensive and durable solution to the external debt problem, notably with regard to the establishment of a debt workout mechanism.

It is necessary to explore innovative mechanisms of financing to complement traditional forms of development assistance. As a sponsor of the New York Declaration on Action against Hunger and Poverty, launched in 2004, and a founding member of the pilot group, Brazil believes that such initiatives can contribute in a meaningful and effective manner to achieving the MDGs.

The crisis of 2008 and 2009 has shown that we need to work towards a more balanced and predictable international financial system that does not require developing countries to accumulate high levels of international reserves as the main insurance against systemic shocks at the unregulated core of the global economy, while ensuring that the necessary resources are there for development.

It would be a lost opportunity for development if our efforts towards economic recovery were aimed solely at re-establishing the pre-crisis status quo. Clearly, the international economic, financial and trading systems need to be reformed in favour of a regime that is more supportive of global stability and development and geared towards meeting the development needs of the poor. That requires the greater voice and participation of developing countries in global governance structures, not only at the Bretton Woods institutions, but also here at the United Nations.

Brazil supports a stronger role for the United Nations in monetary, financial and trade discussions, as well as better interaction among its main social and economic bodies, the Bretton Woods institutions and the WTO. At the same time, the Group of 20 has been a novel and effective forum for international cooperation in financial matters — an agent for change through broader macroeconomic coordination, providing benefits to the international community as a whole, not only to its members.

The Assembly can count on the active engagement and constructive participation of the Brazilian delegation in the forthcoming follow-up discussions and round tables on Financing for Development.

The Acting President (*spoke in French*): I now give the floor to the representative of Mexico.

Mrs. Paz Campos (Mexico) (*spoke in Spanish*): I wish to thank the President of the General Assembly and the Secretary-General for having convened this fourth High-level Dialogue on Financing for Development. It is an excellent opportunity to address the current global economic situation and its impact on financing for development and the achievement of the Millennium Development Goals. My delegation would also like to associate itself with the statement made this morning by the representative of Chile on behalf of the Rio Group.

The international economic situation is showing signs of recovery, thanks to a large extent to the significant progress in counter-cyclical measures implemented by several countries of the world and to the gradual re-establishment of regulated conditions in the international financial markets. However, international institutions have tightened the conditions for granting credit, and it is likely that this situation will persist, which is incompatible with a strong economic recovery, while there have been significant threats to and setbacks in the progress achieved in both areas.

With regard to private flows towards developing countries, the freezing of markets as a result of the international financial crisis had a severe impact owing to reduced foreign investment and the drop in credits to those countries. The remittances received by developing countries, such as Mexico, were substantially affected. Bearing in mind that these are private resources, my delegation recognizes their important role as an additional flow of financial resources to the countries of origin of migrants, while it underscores the contribution of migrant workers to the economies of receiving countries.

The Monterrey Consensus contains the minimum commitments and principles for creating the internal and international conditions necessary to the effective mobilization of financial resources to foster economic growth and to achieve the Millennium Development Goals. Those commitments and principles remain valid in the current situation.

In that regard, it is particularly important that traditional donors honour their commitments, voluntarily entered into in recent years, to allocating 0.7 per cent of gross national income to official development assistance. Financing for development can be fostered through voluntary innovative mechanisms that complement stable and predictable resource flows. Those mechanisms should not require the international community to renounce its commitments, including to official development assistance.

In order to address the challenges I have described, development cooperation must be made more effective through better use of human and financial resources and by promoting positive synergies among the various types of technical, scientific, educational, cultural and training cooperation, including traditional, triangular and South-South cooperation schemes. Furthermore, we must make progress on an international dialogue that honestly and openly enables us to coordinate efforts to ensure that all forms of cooperation are mutually reinforcing and benefit those who need it most.

We appeal to the international community to continue to offer cooperation in support of the development efforts of middle-income countries, as agreed in the Consensus of El Salvador on Development Cooperation with Middle-Income Countries. In that context, it is important to promote the timely implementation of the relevant United Nations resolutions.

Trade can and should play a fundamental role in overcoming the crisis and achieving the well-being of nations. Therefore, Mexico emphatically calls for resistance to protectionist pressures and reversion to any form of protectionism, and for promoting trade financing, acknowledging the right of developing countries to make use of the safeguard flexibilities and mechanisms, consistent with the agreements of the World Trade Organization. It is necessary to progress towards the satisfactory conclusion of the Doha Round of trade negotiations. My country therefore calls on all negotiating parties to demonstrate the political will to achieve it.

Mexico is a country that firmly believes in multilateralism and is convinced of the need to join efforts to achieve a just and inclusive international economic and financial system that encourages development. We therefore participate in a broad range of initiatives at the regional level and in different groups of countries.

In the Group of 20 (G-20), we are seeking a common agenda to drive the reform needed in the international financial and economic system. We agree that the United Nations, as the most representative world body, has a central role to play in this dialogue, in cooperation with the Bretton Woods institutions. Mexico appreciates the efforts undertaken to date by the host countries of the G-20 meetings to inform the membership on the progress made at those meetings. Promoting communication and the exchange of information is crucial to ensuring that the interests of all Member States and the impact on their development are duly taken into account.

An issue that has emerged in today's debate on financing for development and the achievement of the MDGs is that of how to finance climate change mitigation and adaptation. Achieving the technological transformation that the world needs to meet the challenge of climate change will require substantial additional financial resources. In this context, the Copenhagen Accord represents a step in the right direction with its provisions for immediate financial commitments and long- and medium-term financing goals, pending the consideration of new ways to target resources. Mexico expects that the immediate goals will be fulfilled, generating the trust needed to move forward in the negotiation process and guide it to a successful outcome at the Cancun Conference.

As members know, Mexico will host the next Conference of the Parties to the United Nations Framework Convention on Climate Change. We in Mexico will make our best effort to build consensus in a climate of transparency and inclusiveness so as to ensure the success of the negotiations. Mexico takes this opportunity to call on all delegations present to support this multilateral process and to work together to make progress towards this common goal.

The Acting President (*spoke in French*): I call on the representative of the Philippines.

Mr. Davide (Philippines): I should like to state that the Philippines highly appreciates and commends the President of the General Assembly for having convened this fourth High-level Dialogue on Financing for Development. This event marks another important milestone in the chronology of the financing for development process and, we hope, will be remembered as the turning point at which financing for development took a decisive step forward in speedily assisting developing countries to recover from the latest global financial and economic crisis.

It is of significance that this Dialogue should come so soon after the special high-level meeting of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development. The extremely relevant interactions at that unprecedented two-day meeting are still fresh in our minds.

The Philippines aligns itself with the statement delivered by the representative of Yemen on behalf of the Group of 77 and China.

Our agenda throughout the High-level Dialogue should provide us with the latest information and stimulating discussion on the topics of the three multi-stakeholder round tables and the informal interactive dialogue on the theme "The link between financing for development and achieving the Millennium Development Goals: the road to the 2010 high-level event".

Due to time constraints, I shall now briefly share the observations of the Philippines on the various issues to be discussed. On the topic of round table 1, "The reform of the international monetary and financial system and its implications for development", there can be no disagreement that reform is needed. However, the main issue centres on which actors and institutions should make policy decisions and initiate, carry out and monitor this reform.

We are all well aware that discussions on the global financial and economic crisis over at least the past year and a half have taken place in various forums involving different sets of the same participants — the Group of Eight, the Group of 20, the World Economic Forum, the Bretton Woods institutions and, of course, the system and membership of the United Nations.

There can be no argument with the fact that we are all stakeholders in seeking recovery from the crisis. The Philippines supports an inclusive, transparent and open process that ensures that all views are heard and interests considered as we seek ways forward. In this regard, the United Nations, as the largest, most prestigious and, of course, the most representative and supposedly most democratic law-making body of the world, should not only be given a role, but in fact be at the forefront of this comprehensive reform process of the multilateral financial and monetary system.

We recognize that certain groups of countries have taken the lead in discussing these issues, but they should never forget that they are only parts of a greater body. The Philippines supports calls for them to consider the views of all stakeholders before deciding on policies that have global impact or repercussions, especially on developing countries.

On the topic of round table 2, "The impact of the current financial and economic crisis on foreign direct investment and other private flows, external debt and international trade", again it is clear that all these factors have been negatively affected, except perhaps for migrant remittances as a private flow that has shown both losses and gains depending on national circumstances. The Philippines calls for foreign direct investment targeted on productive and employment-generating endeavours, rather than so-called hot money, which is mostly speculative in nature.

The Philippines joins the calls for the conclusion of the Doha Round to realize the promise of a level playing field and an equitable trade regime. On external debt, it reiterates its position that debt alleviation should benefit all developing countries in need, including middle-income countries, and that debt sustainability criteria take into account the implementation of the Millennium Development Goals (MDGs). Thus, the Philippines continues to advocate a debt-to-MDG swap arrangement.

With regard to round table 3, on the role of financial and technical development cooperation, we hope to hear more about best practices and measures to achieve MDG 8.

Finally, the Philippines wishes to recall and reiterate the importance of enhancing coherence among United Nations economic, social and environmental policies. As we harness the financing for development process to achieve the internationally agreed development goals, including the Millennium Development Goals, we should never forget the crucial link to sustainable development. The quest for human development should not be an either/or proposition whereby economic progress is achieved at the expense of environmental sustainability. The pernicious and pervasive effects of climate change must convince us that to follow a pattern of reckless consumption and production is to lay a path to perdition that could lead to the demise of succeeding generations and Mother Earth herself.

I wish to conclude by assuring the Assembly that the Philippines will do its utmost to ensure that this High-level Dialogue fulfil its promise as a milestone event, and not be merely another millstone weighing down on the promise of Monterrey and the Doha Declaration.

The Acting President (*spoke in French*): I give the floor to the representative of the Russian Federation.

Mr. Churkin (Russian Federation) (*spoke in Russian*): The Russian Federation considers the General Assembly's High-level Dialogue on Financing for Development as the central intergovernmental mechanism for coordination of the follow-up to the international conferences in Monterrey and Doha. We see the Dialogue as one of the most important platforms for political debate on key issues related to the mobilization of financial resources for development and one of the key United Nations events aimed at strengthening cooperation between the United Nations and the international financial and trade institutions, in accordance with their respective mandates. In the run-up to the summit on the Millennium Development Goals (MDGs), we believe that the main objective of the Dialogue is to provide the necessary impetus and an appropriate political framework for the forthcoming consideration of the financing for development agenda in the context of the MDG review process.

This Dialogue, in our view, is also a good opportunity to share experience on implementing macroeconomic, monetary and financial policies in the wake of the crisis. Open and constructive discussion on these issues within the General Assembly is particularly relevant, given the ongoing deliberations at the United Nations and other international forums in response to the global financial and economic crisis and its impact on development.

It will not be possible to overcome the negative impacts of the crisis or ensure sustainable economic growth without broad international cooperation at all levels. The coordination of national macroeconomic programmes and a competent and unbiased monitoring of the national financial systems of individual countries and of the world economy as a whole are of particular importance.

An important prerequisite for a successful recovery from the crisis will be the consensus drafting of transparent, effective and compulsory rules for the regulation and implementation of financial policies. Any model for post-crisis growth must ensure a just, sustainable and balanced development of the world economy. There is a need for coordination of not only financial but also social policies, in particular with respect to providing social security and ensuring access to and quality of education, health and labour mobility.

In pursuing these objectives, we must make full use of the potential of the United Nations, which has all the necessary mechanisms for productive work on all major issues related to the crisis, with the participation of all relevant bodies. These mechanisms should be utilized primarily to develop a common strategy and political guidelines rather than highly specialized discussions, which should take place within the appropriate expert bodies.

There is a growing need for regional forums as we devise and implement joint measures to respond to the adverse effects of the global financial and economic crisis. Further regional integration will provide a safety net for all of us against further possible waves of the crisis.

Russia attaches the utmost importance to strengthening bilateral and multilateral cooperation in the Commonwealth of Independent States (CIS), including within the framework of the Eurasian Economic Community (EURASEC). Our country initiated the creation of the EURASEC Anti-Crisis Fund, a new mechanism for cooperation and the provision of assistance to the countries in need that disposes of $10 billion, $7.5 billion of which were contributed by the Russian Federation. Some of the

Fund's resources will be used to support low-income countries in line with official development assistance criteria.

Active work is under way on designing the Russian national development assistance programme on the basis of the concepts endorsed by the President of the Russian Federation. The implementation of the programme, which is targeted primarily at the CIS countries, will allow for a significant strengthening of economic and commercial ties in the region and eventually ensure the necessary progress in achieving the Millennium Development Goals.

The establishment of a national development assistance system in Russia will enhance our capacities as donors and create the necessary basis for a more fruitful participation by our country in international financing for development cooperation. To that end, despite the very real difficulties associated with the global economic crisis, we are already consistently increasing the resources we allocate to support countries in need. According to preliminary estimates, in 2009 Russian bilateral and multilateral official development assistance amounted to approximately $800 million, which is 3.5 times more than in 2008.

The successful implementation of the international financing for development agenda requires innovative approaches to enhancing partnerships with a view to mobilizing additional resources. Major emerging economies play an increasing role in the modern development assistance system, which is being sorely tested by the world financial and economic crisis. Unlike some traditional donors, these countries have not only maintained the level of their assistance to countries in need, but even continued to enhance their contribution to international development efforts despite the crisis.

Finding effective mechanisms and modalities for cooperation with new actors within the framework of the post-Monterrey agenda, and ensuring the active participation of new donors in the decision-making process and in the elaboration of new approaches to assisting developing countries, has become a priority task and one of the most important prerequisites for a more efficient international development assistance architecture.

In February 2010, Moscow hosted the second International Conference on New Partnerships in Global Development Finance. The Conference's findings and conclusions may be used in the consideration of these issues in the Economic and Social Council and the General Assembly. For our part, we are ready to continue to promote constructive dialogue with all parties concerned with a view to reaching consensus on the issue of aid effectiveness.

The Acting President (*spoke in French*): I give the floor to the representative of Turkey.

Mr. Apakan (Turkey): Turkey aligns itself with the statement made by the representative of Spain on behalf of the European Union. I now would like to make some brief remarks in my national capacity.

The High-Level Dialogue on Financing for Development has been convened at a critical juncture today, as 2010 marks an important year in the development agenda of the United Nations. We stand only five years away from our target date for the achievement of the Millennium Development Goals (MDGs), while the repercussions of multiple crises are still heavily felt in the developing world, particularly in the least developed countries. Although substantial progress has been made towards the achievement of the MDGs over the past 10 years, it is evident that progress has been uneven among the goals and within the countries themselves.

The high-level meeting of the General Assembly in September this year will provide us with the opportunity to comprehensively review the MDG process and would be an opportune moment to accelerate and enhance the efforts and concrete action required for the achievement of MDGs by 2015.

The Monterrey Consensus has brought about a new compact between the developing and developed countries by emphasizing joint responsibilities and global partnership in international development efforts. This spirit of global partnership involving developing countries, donor countries and other developing partners must be preserved and transformed into concerted action in order to accelerate progress towards the MDGs.

In moving the developing countries, in particular the least developed countries, onto a path towards sustainable development and growth with the primary objective of poverty eradication, we need to focus primarily on the development of their productive capacities, the diversification of their export base and

market opportunities, and the enhancement of their capacities in the service trade.

In view of the importance of trade as an engine of growth, the revival and subsequent successful completion of the Doha Round negotiations will promote the integration of developing countries into the world economy. Initiatives such as the Enhanced Integrated Framework for Least Developed Countries and Aid for Trade could contribute to the reduction of constraints that impede supply capacities, including weak trade-related infrastructure.

In addition to enhancing the trade capacities of developing countries, scaling up and improving the quality of development aid, in particular official development assistance, is also of paramount importance. Turkey supports the Paris Declaration on Aid Effectiveness and has endorsed policies for the realization of the commitments made in the Accra Agenda for Action.

Predictable and better targeted aid that responds to the needs of developing countries and their specific challenges is necessary. Mobilizing aid to build the necessary human and institutional capacities and to increase productive capacities would be instrumental in overcoming the structural weaknesses faced by developing countries.

We believe that development assistance should be geared towards employment-generating activities to enhance the sustainability of livelihoods. The mobilization of funds to finance the activities of small and medium-sized enterprises deserves particular attention in that regard. In the light of the importance of remittances for developing countries, further international support measures are necessary to channel such funds towards productive investment schemes.

The role of foreign direct investments in funding infrastructure projects, which are necessary to long-term growth and development efforts, cannot be emphasized enough. Therefore, we need to work on ways and means to enhance the ability of developing countries to attract multinational investments to further boost the development process at the national level.

National ownership of development programmes is the crucial element for success in that regard. In fact, from our own experience as an emerging donor country, we can say that the demand-driven approach has been particularly successful in our development assistance efforts. The contributions of civil society organizations and the private sector are also a complementary necessity to all national, regional and international efforts.

In the framework of global partnership, we believe that South-South cooperation is an important strategy in dealing with transnational development challenges. That type of cooperation strengthens vulnerable economies not only by mobilizing financial assistance, but also by increasing their capacities on the ground through extensive economic and technical cooperation on a demand-driven basis and by sharing experiences. Triangular cooperation complements that dynamic process.

Our experience to date shows that the MDGs are, in fact, achievable with the right policies and effective implementation. I am confident that our deliberations during this High-Level Dialogue will facilitate the preparations in the coming months for the high-level meeting on the MDGs and enhance our efforts towards the timely achievement of those goals.

The Acting President (*spoke in French*): I give the floor to the representative of Guatemala.

Mr. Rosenthal (Guatemala) (*spoke in Spanish*): We align ourselves with the statements made by the representatives of Yemen and Chile, but we would like to add some thoughts from the national perspective in order to touch on one issue that has barely been mentioned in those statements. These thoughts — or perhaps it would be more appropriate to call them concerns — relate to the scope and content of the exercise in which we are involved.

We express these concerns because we believe that we are underutilizing the opportunities provided to us by two of the follow-up mechanisms that the Monterrey Consensus sets out in paragraph 69 (A/CONF.198/11, annex). I am referring to the roles that it assigns to the General Assembly and to the Economic and Social Council to "staying engaged". In compliance with that provision, last week some of us met in the framework of the special high-level meeting of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD), and today we are meeting in the framework of this fourth High-Level Dialogue.

To speak frankly, our concern is that, in our view, neither of those meetings has fully fulfilled its promise. To substantiate our concern, I would recall that the Monterrey Conference, whose main outcome is contained in the Monterrey Consensus and reiterated by the Doha Declaration on Financing for Development, constituted one of the greatest achievements of the United Nations in the sphere of development.

To cite only a few examples, the Consensus represented conceptual progress by giving greater substance and clarity to the partnership between developed and developing countries. The Conference had a tangible impact by marking a turning point in the volume and form of international development cooperation. The United Nations gained a place — modest, but a place nevertheless — in the world of finance by linking financial flows to development. In that regard, the foundations were also laid for fruitful coordination and cooperation between the United Nations and the multilateral financial institutions, each within its area of responsibility. In addition, bridges were built to bring the positions of foreign ministries closer to those of the ministries of finance and trade within each of our Member States.

Furthermore, at the Monterrey and Doha Conferences, the United Nations managed to demonstrate its comparative advantages: its capacity to convene, the legitimacy provided by its universal and inclusive nature, and its commitment to development as one of the great pillars of the Charter, among other elements. The Organization was also able to have an impact on public awareness. Thus, the Bretton Woods institutions themselves incorporated the Millennium Development Goals into their daily lexicon.

Despite all of that — and this is our main point — we believe that we are neither sufficiently capitalizing on the significant achievements of Monterrey and of Doha, nor taking full advantage of their follow-up mechanisms. Although last week's meeting between the members of the Economic and Social Council and the intergovernmental representatives of the World Bank, the International Monetary Fund, the WTO and UNCTAD afforded an interesting and useful debate, we believe that it could have made even better use of the opportunity to clarify the role of each of our organizations by giving greater impetus to the guidelines that emerged from Monterrey and Doha.

This issue is not new. Despite the many efforts undertaken in the Economic and Social Council and in the General Assembly to enhance such meetings, we have the feeling that the level of representation and the quality of the debate have been gradually deteriorating to date since 2002, and that the new circumstances that have arisen since the financial and economic crisis of 2008 have only aggravated the situation by obscuring the international economic outlook and the role of the United Nations with regard to financing.

Thus, we tried to overcome that crisis by holding the Conference on the World Financial and Economic Crisis and Its Impact on Development last June — on balance, with positive results. However, it could be maintained that, with that Conference, we gave new or at least additional direction to the financing for development process.

The five-minute limit on our statements does not allow me to go into greater detail on the causes of what we perceive to be an erosion of our role, nor, I must confess, do we have fully fledged proposals to make on the matter, although we have some specific ideas. However, we believe it imperative that we examine the matter introspectively and ask ourselves if we are satisfied with these two periodic exercises — one annual, the other biennial. Should that not be the case, we must also ask ourselves what we must do to ensure that our meetings are meaningful and useful events. Otherwise, we run the risk of their becoming mere rituals, ceding the space that the United Nations could and should occupy to other formal and informal venues.

The meeting rose at 6.10 p.m.